



MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, September 22nd, 2010 3:00 p.m.
Meridian City Council Chambers
33 East Broadway Avenue - Meridian, Idaho

1. Call Meeting to Order (Lipschultz): Chairman called the meeting to order at 3:05 p.m.

2. Roll-call Attendance (Slocum):

 X Larry Lipschultz – Chairman
 X Craig Slocum – Vice-Chairman
 X Eric Jensen – Secretary/Treasurer

 X Keith Bird – Member
 X Jim Escobar – Member
 O Julie Pipal – Member (3:25 p.m.)
 O Tammy de Weerd–Member (3:08 P.M.)

 X Ryan Armbruster – Counsel
 X Shaun Wardle - Administrator

3. Confirm Agenda (Lipschultz):

Bird: I move we confirm the agenda as published.

Slocum: Second.

Lipschultz: Motion and a second to confirm the agenda. All those in favor say aye. Opposed.

ALL AYES. MOTION CARRIED.

4. Approve Consent Agenda (Lipschultz):

- a. Approve Minutes of September 8th, 2010 Regular Meeting:**
- b. Accept Treasurer’s Report and Notice of Bills Paid:**

Bird: I move we approve the Consent Agenda and the chair to sign and the secretary to attest as published.

Jensen: Second.

Roll Call Vote: Jensen, aye; Slocum, aye; Bird, aye; Escobar, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

5. Destination Downtown Committee Reports:

- a. Livability**
- b. Mobility**
- c. Prosperity**
- d. Sustainability**

Lipschultz: Do any of the coordinator's have any updates for those committees? Today we have our meeting.

Wardle: Our destination downtown meeting is at 5:00 today. We will be in the Council Chambers and going to begin within presentation a coordinated presentation essentially on all of the transportation studies and future mapping in the downtown urban area. So that will be the first 20 to 30 minutes and then we will have our break out sessions by the individual committees.

Lipschultz: Any other update or activity to report?

6. Resolution 10-090 – Church of the Harvest Improvement Grant Agreement:

Wardle: The Board has already approved a request by the Church of the Harvest for an improvement grant up to \$35,000; if you recall this is for the street trees and street lighting on Pine Street that the Church will be installing as a part of their renovation of that particular area. In addition to that we have committed the necessary five tree street grates and so that is MDC's commitment to this project. In terms of an update, the Church is still working on securing bids and their additional fund raising for the project. So you will see this continue in the future and this allows them 12 months to complete the project and again, as I mentioned it is an improvement grant from MDC. This resolution approves that official agreement that we have seen a couple of times and the Church as signed a copy which you have on your desk.

Lipschultz: For the record it is 3:08 p.m. and Commissioner De Weerd has joined us. Reading of the resolution?

Armbruster: A resolution of the Meridian Development Corporation; a resolution of the Board of Commissioners approving the improvement grant agreement between MDC and the Church of the Harvest, the owners of the property located at 831 N. Main Street; authoring the execution of the agreement by the chairman or vice chairman and secretary; authorizing any technical changes to the agreement; authorizing the administrator to take all necessary action to implement the agreement and providing an effective date.

Lipschultz: Do we have a motion?

Jensen: I move that we approve resolution 10-090.

Bird: Second.

Lipschultz: A motion and a second. Any further discussion?

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

7. Project Manager RFQ Update (Lipschultz):

Lipschultz: We have been reviewing the results of our project manager RFQ. As we updated you at the last meeting, we had five proposals initially for the RFQ. The executive committee met and did a ranking of all five and from that ranking we have created a list of three finalists. Those three finalists were Red Sky Public Relations; Joel Harper and Collier's International. Following that initial ranking the executive committee went through a process of interviewing all three final candidates and also reference checking and out of that process, we have come back with a recommendation to the Board that Red Sky Public Relations – Ashley Ford is the lead – that we enter into a one year agreement with Red Sky for project manager position. I think – I can refer to Eric and Craig as well, but I think we went through the process – we had five good proposals and the one thing that stood out to all three of us is they are very different approaches in how they would go about this position. I think as we went through that process and we looked at experience of a lead, experience of a firm, knowledge of Meridian, we looked at conflicts and potential conflicts and again, Red Sky was ranked number one in terms of their approach, we are very impressed with the resources that come with this and the depth of their organization. Any comment Eric or Craig?

Slocum: I think you did a good job explaining the process we went through. I think all of the respondents were high quality and all do great jobs, it is just I think most importantly looking at who the lead person was and they were going to be a face of this volunteer Board and I think that was pretty critical and I think looking at what we have in front of us over the next year, specifically the COMPASS VRT project and getting destination downtown (inaudible) kicked off, I think those two pieces in looking at the three groups that we interviewed led us to Red Sky.

Lipschultz: The other comment that I would make is the agreement before you that we are proposing is also a reduction of approximately 20 percent from our current budget – we are pleased to be able to recommend – again, an organization with the depth of Red Sky that we think can effectively do this position and still be able to show a savings for the agency this year. We do have some people from Red Sky including Ashley that is here today if the Board would like to ask any questions prior to consider the resolution.

De Weerd: Certainly I would like Ashley to at least make some remarks and I do appreciate the committee reaching out to the entire Board with clarification of what was (inaudible) as the priorities of this position and what we were looking for and while that

probably not everyone responded, they had the opportunity for input and I think that probably then helped in making it to this point. We had an opportunity.

Lipschultz: I think when the executive committee went through this process and some of the things that really jumped out number one was the broad scope of the RFQ and a number of different functions that we are looking for all rolled up into one position and second thing we have got to step back and look at what we saw as real high priorities for this next year and how best to address those priorities. Again, we wanted the rest of the Board to be able to have some input to that and make sure that we are all in agreement as to what those priorities are. Ashley if you would like to come up and get a chance to introduce yourself.

Ford: For the record, Ashley Ford, I am the public affairs practice lead for Red Sky Public Relations, our office address is 518 S. (inaudible) Street in Boise and I am very pleased to be here this afternoon and honored and humbled by the committee's recommendation to the Board. Some of you know me and some of you don't. I have had the pleasure of living in Idaho for 13 years this summer and in Boise for 11. I started my career out of graduate school at ISU and at the city as a land use planner and I worked there for two years and then made my way into the private sector, traditionally working for engineering firms as a director of planning. So I have extensive background in land use planning and project management. I did work with Mr. Borton and Mr. Lakey in the audience for a year with Rose Law Group as a project manager and land use planner and took the position with Red Sky in January this year. My level of expertise in this valley primarily focuses on land use planning but also project management. I have managed large scale projects over the last five years. A lot of master plan communities, but also a lot of public policy projects too from a transportation standpoint. I have been involved in a large number of those. This is my home here. My passion for this community and when I say this community, I mean, the Boise Valley, the Treasure Valley is really rooted in making this place the best that it absolutely can be from a collaboration standpoint and also building the relationships because relationships are paramount and that is what I hope I can bring to this position, to this Board. I am happy to answer any questions you may have. We have committed to the Board that we will have a presence here in Meridian. We will have office hours; we will be at City Hall often; we will be working with the business owners and property owners and we are happy to have this opportunity in front of us.

Lipschultz: Any questions for Ashley? Thanks. Before I go on any farther and on behalf of the Board, I want to thank Shaun for his services this past three years which has just been one more step in a lot of public service that he has given to the City of Meridian and it is really appreciated. In addition to the transition to the new project manager, we all hope you stay active with our downtown redevelopment efforts and I know you have got four people that are going to be fighting over which committee you are going to join because we know you will. So thank you and Josh and all the rest of your staff. We really do appreciate that.

De Weerd: What is the transition plan since you brought it up?

Lipschultz: Mr. Wardle – we have had some discussions and he is committed to move the transition and I think it will be involved over the next couple of weeks spending some face to face time with the new project manager and he is also committed to be available by phone and all that. So we will do that as smoothly as possible. The biggest thing for us right now is our COMPASS VRT project and there is a lot of balls in the air and so with Shaun's help I will be working with the project manager and others on Board and make sure it is a smooth transition with your help.

De Weerd: I think balls in the air are an understatement.

Wardle: We have got a game plan set up for transition. You probably won't see all of the details of it, but we will have a smooth transition.

Lipschultz: Okay, move to item 8.

8. Resolution 10-091 – Project Manager Contract:

Lipschultz: Hopefully you have all had a chance to review that along with the tasks and scope of work that was in the original RFQ and from a financial perspective I think the most significant change – we did determine that it was best to stay with a flat fee as opposed to moving to some type of hourly basis and that flat fee will be \$8,333.33 a month and approximately a 20 percent reduction from our past year. Counsel read the resolution please?

Armbruster: This is a resolution 10-091 a resolution of the Board of Commissioners of the Urban Renewal Agency of Meridian, Idaho ranking the respondents to the requests for statements of qualifications for persons or entities interested in serving as the Meridian Development Corporation's project manager and approving a proposed project management agreement; authorizing the chairman or vice chairman and secretary to negotiate and execute the project management agreement with the highest ranked respondent and if unsuccessful to continue to negotiate an agreement with the next highest ranked proposal and so forth until it is executed and authorizing the changes to the project manager agreement; authorizing the administrator to take all necessary action to implement the project manager agreement and providing an effective date.

Lipschultz: Thank you.

De Weerd: I move we approve resolution 10-091 and authorize the chair to sign.

Slocum: Second.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

9. Resolution 10-092 – Ground Floor Property Management Contract:

Lipschultz: At our last meeting Ms. Pipal and I updated you in terms of our search for a property manager and as you recall we all agreed to go back and pursue the discussions and interview process with the one proposer to the project. We did that and Ms. Pipal and I conducted interviews; we also did reference checking and with that Ms. Pipal is not present yet, but we were both in agreement in terms of a recommendation to the full Board that we enter into a one year property management agreement with RFR Properties. What we have done in this agreement is tried to create a fee structure that is performance based. I think as we went through this process that it became very clear to Ms. Pipal and I that the differences between a traditional property manager and what we are looking for in this position; and while this position has certain aspects of it which are traditional property management collecting rents and maintaining the building; the bigger piece to making the Ground Floor successful is going to be the successful marketing of the project; identifying the appropriate tenants and (inaudible). As such what we are recommending to the Board is that we are in agreement of the first six months the property management will be a fixed flat fee of \$2,500 per month, which is approximately a 15 percent reduction from the current cost and after the first six months we will go to a performance based agreement where the property management duties will be a flat fee of \$1,500 a month and then beyond the \$1,500 will be a revenue sharing component. So once we have achieved the \$1,500 a month in a rental fees, after that first \$1,500 a month that revenue share where the agency retains 65 percent of the rents and the property manager would receive 35 percent of the rents; in addition after that first six months there will be a new tenant incentive in place that for each tenant that stays a minimum of three months, there will be one month rent (inaudible) for the property management. So now to note for the record at 3:25 Ms. Pipal has joined us. So the idea was to get to a performance based agreement where after the property manager recovers their property management fixed fee of \$1,500 only then do we go into some kind of a revenue sharing agreement. We do have the recommended representative from RFR Properties is Gwen Runyon and perhaps we would like to ask Gwen if she would like to come up and introduce herself to the Board and answer any questions the members might have.

Renion: My name is Gwen Runyon, I am with RFR Properties out of Eagle, Idaho.

Lipschultz: Maybe you could just briefly tell us a little bit about your background and your company's background.

Runyon: The RFR Properties was founded by my husband and myself about 16 years ago. We have provided real estate services; he is originally from Boise, Idaho and I am transplanted here from Alaska. We have worked on property management type accounts. He specifically does a lot of commercial property development within Meridian and the surrounding Treasure Valley and I am kind of the worker bee side of the company. So we will be working in conjunction with each other on this. As the Chairman had indicated we view the actual property management to be a very small piece of it. The property itself has a lot of potential. We love the idea. I have some limited experience with incubator businesses within the Treasure Valley and I think I bring a lot to the table as far as how this project needs to be addressed and what is really trying to be accomplished. By helping the businesses around Meridian get off of the incubator status and get a running start.

Lipschultz: Any questions from the Board Members for Ms. Runyon? Thank you. Counsel?

Armbruster: A resolution of the Board, resolution 10-092 a resolution of the Board of Commissioners of the Urban Renewal Agency of Meridian, Idaho; approving the property management agreement between MDC and RFR Properties to manage the Ground Floor Business Incubator and providing for an effective date.

Lipschultz: A motion?

Bird: I move we approve resolution 10-092 and for the Chairman to sign and the secretary to attest.

Escobar: Second.

Lipschultz: A motion and a second. Any discussion?

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

Lipschultz: We are working on a smooth transition for this as well with Shaun and Ms. Pipal and I will be (inaudible) and looking for ideas to kind of crystallize our strategy.

10. Broadway Building Partnership Update (Lipschultz):

Lipschultz: This is our COMPASS VRT project and since our last meeting as an additional update, we continue to move forward with the architectural and engineering portion of the project. Erstadt and Associates are continuing forth with their work and working with the representatives from COMPASS and VRT and our staff and really nailing down what the program for the building will be and the second activity is reaching an agreement with both COMPASS and VRT and the plan is to initially execute – come back to this Board as well as to the other Boards with a kind of mini reservation agreement, which essentially be a purchase and sale agreement kind of missing some of the – I guess – Shaun --?

Wardle: If I could just take us through a quick timeline. I think what you are referring to is in a condominium reservation agreement essentially what MDC will be committing to do is go forward with this project. We are currently working with financing and we are talking with agencies that are interested, but it will allow MDC to secure that financing and go out to bid. The architectural and engineering design – the latest plan is on the screen. A couple of highlights if I might. The first of which it will be creating 57 off street parking spaces and those will become public in the evenings and on the weekends for public parking. A couple of changes to this plan from what you might have seen at the HUB and that is angle parking along Broadway. If you recall as part of that project, one of the things that they did is they scooted the building two feet off the

property line to allow for angled parking. This allows the building to come all the way up to the property line, but there is a need to create parallel parking along Broadway. That ties it into a potential ability for a transit or transit stop essentially a bus stop. So those spaces may be realigned in the future to allow for bus movement. It is our expectation that we will have a building permit in hand by November 1st and essentially go out for public bid. That process will essentially be 30 days and from there we expect around two weeks for a negotiated contract and if we can meet all those timelines in everything we can go forward. COMPASS and VRT were slated to present to their boards the condominium reservation agreement and it is still in negotiation. I believe we have a work session scheduled for Friday. That condominium reservation agreement will outline essentially the entire deal with the purchase and sale agreement as an exhibit. To get to a purchase and sale agreement on a condominium we actually need a legally salable portion of the building and to do that we have got to go through specific lot plan adjustments through the planning department and essentially have that building permit. So once those legal descriptions are available, then everything will be ready to formally execute on VRT and COMPASS's side.

Lipschultz: My understanding, Counsel, is those legal descriptions are really the only significant difference between the purchase and sale agreement and the condominium reservation agreement – they will put to this Board for review we move forward, they will see and consider all the business points –

Armbruster: Correct. The intent on the condominium reservation agreement is to get all of the detailed business points done, the purchase and sale agreement will come after the lots or units are specifically described by way of condominium plat or subdivision plat. So your business points will be in that agreement – the other thing that is coming along at the same time is an actual parking agreement, which will also be an exhibit which deals with the parking issues for those 57 stalls.

Lipschultz: Do you have any update – I know was saying we are trying to put a meeting together for Friday?

Armbruster: It is tentative; we haven't seen confirmation back from COMPASS or VRT, but we are prepared to meet and move forward.

Lipschultz: So once we get with them and come to an agreement and (inaudible) the business points then the reservation agreement will come back to this Board at our next meeting. Any questions?

Bird: In the agreement is there a penalty clause if it is not done on a certain time and how close to a construction schedule to we have?

Lipschultz: Well we haven't finalized that. The idea we had from our last meeting with COMPASS and VRT is that COMPASS needs to be out of their building by August 31st.

De Weerd: I might save you some time, if you haven't had an update from their executive committee meeting yesterday; it was discussed and there was some concern at the board meeting on Monday about the if there is a price better than \$120 per

square foot that MDC would be the only benefactor of that and so the discussion yesterday at the executive committee meeting was to make a recommendation for this purchase and sale agreement or the condo agreement or whatever that is going to be discussed in October that we take out – it would be the desire of COMPASS to take out the penalty clause, but to share in any costs benefit under the \$120 a square foot. So the question was raised, well if it is more than a \$120 a square foot, do you share in that too? I don't know if they ever made any kind of comment on that; I do know that there was a lot of discussion about the \$120 and wouldn't it make it more powerful because you can't ask for us to have all of the risk and no way to recoup and so they felt that that was a fair trade, if they could participate that if there was less than \$120 a square foot by removing the penalty clause if that would be more attractive?

Lipschultz: Our thinking in way of the penalty clause has been that we would do that if (inaudible) bid to the contractor. We have currently reviewed the current timeline and if we stay within the timeline that Shaun outlined, we think we can have it completed by August 31st and that a contractor would assume that risk of that penalty in the bid process. I am aware of COMPASS's recent discussions and our thinking is exactly as you outlined, you know you can't have it both ways. If in fact, you are looking for a cap on a cost, then we should be the beneficiary of at least most of any savings if there are any savings. That is one of the key topics for the next work session. Our thinking at this point is preferential return to the agency for taking the risk. So it prefers "x" number of dollars of savings would come back to the agency and then once we get beyond that we would share that with VRT and COMPASS, but we think there should be some sort of benefit to the agency for taking the risk.

De Weerd: I think that is very fair because the discussion centered around protecting the partners dollars and I reminded them that all dollars are public dollars.

Lipschultz: That is exactly right and that has been our message at the very beginning of this that this project is a collaboration of three public agencies to get to the most cost effective project and that is what we are trying to do. We think we will get there. We will see how this next meeting goes. Other questions or comments?

11. Resolution 10-093 – Condominium Reservation Agreement:

Lipschultz: We are not prepared to move on the condominium reservation agreement on resolution 10-093 and we will defer this to the next meeting?

Slocum: Do we move to defer this item to our next meeting?

Lipschultz: So we have a motion to defer –

Pipal: Second.

Lipschultz: We have a motion and a second to defer this item. Any discussion?

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

12. Legislative Committee Update (Lipschultz):

Lipschultz: I am going to ask Mr. Turlington to come up and give us a little bit of an update.

Turlington: Thank you Mr. Chairman, Scott Turlington, Principle Strategics, 802 W. Bannock Street, Boise, Idaho, 83702. I appreciate the opportunity to be here today and give an update since our last discussion a couple of months ago and where we are with our legislative efforts and what is going on. I guess I will just jump right into it. We have had some interesting dialogue and conversation over the last 8 weeks, I think, with regard to the direction overall of URD's. Tomorrow as you may be aware that there is a – I wouldn't call it a statewide roundtable being posted, but there is a roundtable hosted by CCDC and we are going to participate in that and I will be there on behalf of MDC and to listen and find out the objectives and what CCDC has in mind and the purpose of discussion. You will recall that earlier in the summer that we had proposed that we have a roundtable as well and we discussed that with CCDC and I think they were in agreement it was a good idea and so they ask that we hold off until after summer vacations and one thing led to another and here we are. I believe, however, based on conversations I have had that it will be a productive discussion. I think that the groups that will attend and I don't know which groups will be there tomorrow, but I think we all have – MDC has had conversations with them and so everyone in my mind that there is an objective and that there is going to be some action this session. Tomorrow's conversation will continue to provide some insight and some light into how we all get together to collaborate. I wouldn't characterize tomorrow's meeting or discussion as an effort to usurp any power or to dominate the process or to do anything other than what it is CCDC does and that is things like this. I am encouraged by it. I have talked with Phil and so I think we are going into this where we had hoped to. We are not the host and we did ask to co host and it was suggested that we remain separate at this point and that is fine. So having said that the outcome of tomorrow I think in large part will help us to decide the direction to go in, but I wouldn't say that with the caveat that we still know what direction we are going in and over the past two months I have had a number of meetings with legislators around the state, in the Treasure Valley, north Idaho and eastern Idaho, the chairman of the committee, members and every single one has indicated what we have been told and what we have been planning for and that is there will be legislation this session. No one can predict with any certainty what it will contain. I think probably the most intelligent conversation I had regarding legislation this session was with the chairman of the house committee, chairman Lake and he outlined for me three or four items that are very important to him, including getting rid of shoestring annexation; reducing the timeline on the years you can borrow from 24 down to 20 and what was really insightful was that he has at least backed off enough of electing commissioners and he recognizes that that is not a proposition that will be in legislation. We had the opportunity to speak at length about the coalition's efforts and what the coalition wanted to do and he didn't know very much about it and what he had heard he was a little apprehensive, worried that a coalition was going to come in to stir up trouble and I assured him that any coalition that MDC was a part of would not come in to stir up trouble but to assist in the process and be helpful and help them accomplish the goal

that they have been after for several years now. So I left enough room – I think with that sort of as an understanding of what is next, I think, tomorrow's meeting is going to be very telling. We do have a legislative sub committee meeting briefing scheduled for Friday afternoon so I can report back to the subcommittee and also prepare some kind of written up comments to distribute, so all of the Board members can get that and make the determination on where we go forward. The one thing that we have not done yet and was identified in our scope to do was to be drafting legislation and we decided to hold off on that in light of the roundtable and the fact that we were really not in control of it and to not get very far ahead of what everyone else wants to do. I think it is a prudent decision to hold off on that and we still have time and I think we still have the opportunity to position ourselves where you would like to see where this goes, but also to really get the best intelligence on what is out there. I will certainly stand for any questions or comments regarding the process and where we are.

Lipschultz: I think as Scott said, Friday the legislative committee, Ms. De Weerd, Ms. Pipal and myself will have a call with Scott and get an update on tomorrow's meeting in which we are hopeful is constructive. I think our objective all along has been a constructive approach with the legislature; there is no pride of authorship we felt that the path that we could have laid out was the most effective approach and CCDC feels differently and I guess we will see what comes out of tomorrow's meeting. After Scott's update on Friday, what the committee will be considering and back to you all in October is a recommendation on a path forward. MDC's agreement with Scott expires September 30th and the things we will have to consider are in light of whatever happens this week, what is our strategy going forward, what if any is Scott's role in that and then what level of investment is the right number for the Board to take and part of that will be based on again, the path forward and our original concept was that we had expressions of interests from a number of other Idaho urban renewal agencies of sharing costs with us and we will consider what that approach is and take this forward with a recommendation.

Turlington: An additional item, Chairman Lake let me know that after the elections in November, that a few of them will get together to begin looking at URD legislators and potentially some outside groups and he asked if I would like to be – or if MDC would like to have – he didn't say a seat at the table, but at least understand the discussion and know what is going on and be available to provide insight and I said we would be and he said well would that be for a coalition of MDC? And I told him that I couldn't answer that question at that specific time, but at a minimum it would certainly be MDC's input. So I think that they are certainly – that they haven't forgotten about it, but I wouldn't say anyone has got any difficult elections coming up in terms of the folks that they will be dealing with, but there could potentially be changes, depending on how leadership roles out in the House and committee assignments may change. The other conversation I had last week or late the week before is the City of Ketchum has an attorney / lobbyist that has reached out to me to have a discussion about what is going on and they want to make sure they are involved – Susan Buxton is their person and you may know Susan, she is the city attorney but she told me she would also be acting in this case, so they were very anxious to be helpful in the process as well. With that I think I (inaudible) a path forward and let's see what happens and then we can reconvene in October and determine a path forward and what makes the most sense for this Board.

Lipschultz: It sounds like you sense is after talking with various legislators that will all the budget issues that are going to be on the table this next session it will still be a hot button.

Turlington: It will still be a hot button issue and I think that was the message that was delivered at close of the last session as the committee wound down and I think that they are still – more than anything I think was is more apparent now is because of the budget considerations this will become more of an issue. Taxing districts opting out of URD's and that is going to be a priority and I asked Chairman Lake about that and he said it wouldn't be his first preference, but don't be so surprised to see it again. The other thing that he told me that is very insightful is what generally creates chaos is his inclination is to give everybody their day. In other words, if anyone has an idea bring it forward in the terms of legislation and which is what they did last session. I asked him if he would reactivate the subcommittee and he said probably not, which told me a little bit about what they are thinking because the subcommittee's purpose is really kind of root out the really dumb ideas because you never really want bad ideas to make it in front of a full committee because you just don't know what is going to happen; especially with that committee. So if we see the same thing that we saw last session, as you recall, we had I think 12 or so different pieces of legislation that all were sort of herded into a subcommittee; so if his plan is to let everybody have their day, then it could certainly create more dynamics than we saw last session and by the way, take up an inordinate amount of time when they are in that committee when they are going to be dealing with so many other issues. So it remains to be seen a little bit, but I wouldn't be surprised that this is a front and center because the issue of public dollars and how they are expended in tight budget time and this becomes a topic for anyone.

Lipschultz: Any questions for Mr. Turlington?

Pipal: Scott do you think then that there is maybe a potential that there could just be a chairman's bill and he is going to get a few other legislators together but this is just going to be a chairman's bill that we would be able to get behind and support, outlining the key points?

Turlington: I would – it is tough to say. I would think that the chairman would have a bill and I didn't ask him specifically if he intended to have a bill, he did say that a bill that ultimately gets passage would not include an economic development piece and so he at least let me know that that was not going to be a part of it. I don't know to be honest with you if he will have a bill. It just depends on what happens after the elections and whenever these guys get together and start talking about it. I don't know who all would be a part of that group as of yet. So we are going to – I am going to be over in Idaho Falls next Wednesday and I am hoping to stop by and visit on the way out and just kind of see if anything that is new and see if we have got an opponent that has popped up.

Lipschultz: Other questions?

Slocum: Just for clarification – tomorrow's meeting that Mr. Turlington is attending we made the decision that the rest of the Board is not, is that correct?

Lipschultz: That is correct. It is sort of open for discussion.

Turlington: My understanding was that folks were embarrassed to be seen with me and I understand that.

Slocum: Follow up – has there been any AIC committee action by them --?

De Weerd: They have created a subcommittee; it won't meet until November.

Turlington: That reminded me I also had a conversation with Mr. Harvard at the AIC just to say what can we do to help and his comments were our subcommittee wants to help with the process. They have let me know that they have got a lot on their plate and so I think his notion of the subcommittee was to help the process as well. I think there was a lot of (inaudible) between the two and so from my perspective I think having the subcommittee a helpful implement to have as part of the efforts. The last thing I would say is congratulations on selecting Ms. Ford as your administrator, I had the privilege and she may not appreciate this but we were in grad school together at Idaho State and had a chance to know her for a long time –

Lipschultz: That didn't come up in the interview.

Turlington: I knew it wouldn't have. She is extremely capable and she will serve the Board well and congratulations.

Pipal: Is she embarrassed to be seen with you?

Lipschultz: I think that was a combination of items 12 and 13, a contract extension. For item 13 we will revisit that at our first meeting in October after the outcome of tomorrow's meeting and will have our follow up discussions from that.

13. Legislative Services Contract Extension (Lipschultz):

14. Bank of the Cascades Owner Participation Payment (Wardle):

Wardle: You have in your packets a memo. I will briefly review it. In July of 2004, MDC and what was then Farmers and Merchants State Bank entered into an owner participation agreement – essentially MDC agreed to reimburse for all of the public improvements that Farmers and Merchants did to build their new bank building. So the terms of that agreement, essentially were a maximum of \$110,000 and that it would be reimbursed annually as the property tax bills were paid and it is 75 percent of the actual increment that MDC received and would be reimbursed to Farmers and Merchants, now the Bank of the Cascades. So you now have in your packet a break down for FY2010's payment, which reflects taxes paid in 2009. The total MDC increment was \$29,933.30. 75 percent of that is \$23,449.98. We have verified by canceled check that those funds were paid and that canceled check is not in your packet. So, the remaining balance of fund liability is \$10,010.63. So the Board, the Chairman has the check and the Board needs to authorize this payment and we will get it to the bank.

Lipschultz: I guess another comment is as Mr. Wardle said the remaining balance is down to about \$10,000 so once that is paid next year then all further tax increment will come back to the district with no further payments. That is the remaining liability. Do we need a motion to make that payment?

Armbruster: Mr. Chairman, I guess I would.

Lipschultz: I would entertain a motion to approve the 2009 payment to the Bank of the Cascades in accord with our owner participation agreement.

Jensen: I move that we approve payment to the Bank of Cascades for the owner participation agreement for 2009.

Slocum: Second.

Lipschultz: A motion and a second. Any discussion?

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

15. Counsel's Report (Armbruster):

Armbruster: I don't really have anything else to report. The legislative efforts are on the way and I see they set up a subcommittee and that is about it for right now. Everything else is going along.

Lipschultz: Mr. Armbruster and Mr. Parks have been working diligently on our agreement with COMPASS and VRT and they will have that finalized shortly. Questions for Counsel?

16. Executive Session per Idaho State Code 67-2345 (1)(a): To consider hiring an employee or individual agent wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need.

Bird: I move we go into executive session as per Idaho State Code 67-2345 (1) (a).

Slocum: Second.

Lipschultz: A motion and a second.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

(Into Executive Session at 4:00 p.m. and out of Executive Session at 4:45 p.m.)

Bird: Move to come out of executive session.

De Weerd: Second.

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

17. Legal Services RFQ Ranking by Board of Commissioners (Lipschultz):

Lipschultz: As you recall at our last meeting the executive committee made a recommendation of ranking of the two proposers for legal services and the two proposers were Elam & Burke and Borton and Lakey and the Board had decided to consider both proposers and I think that is where we are at right now.

Pipal: I would move that we authorize the executive committee to enter into negotiations for legal counsel with Borton and Lakey; the Board having reviewed the proposals and believe it is in the best interest of MDC based on unique representation for the District.

Bird: Second.

Lipschultz: We have a motion by Ms. Pipal and a second by Mr. Bird. Further discussion?

Roll Call Vote: Slocum, aye; Jensen, aye; Bird, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

Lipschultz: As you know we currently have representation by Elam & Burke in the ongoing COMPASS and VRT project on Broadway and we are at a critical step where we are close to finalizing our condominium reservation agreement and the finalization of that step beyond that could be an appropriate place to make a transition (inaudible) counsel in that matter. My recommendation to the Board would be that on a project specific basis to the COMPASS VRT project that we extend our agreement with Elam & Burke to complete that phase of legal representation and open to questions, comments, discussion or a motion to that effect.

Bird: I would move that we continue with Elam & Burke on the specific condominium agreement between VRT, MDC and COMPASS until completion or October 31st 2010.

Escobar: Second.

Lipschultz: A motion and a second to continue on a project specific basis on the COMPASS VRT project with Elam & Burke. Any further discussion?

Roll Call Vote: Slocum, aye; Bird, aye; Jensen, aye; Escobar, aye; Pipal, aye; De Weerd, aye; Lipschultz, aye.

ALL AYES. MOTION CARRIED.

18. Administrator's Report (Wardle):

Wardle: Speaking of transition, I can say from our team that it has been a pleasure to serve as the administrator for the Urban Renewal Agency. I think that in these three years that we have accomplished quite a bit and helped move both the community and the agency forward. I think that we have done a lot to promote the efforts of urban renewal within Meridian and I can tell you that when we started the first question that I was asked is Meridian has a downtown, where is it? I think that most of the community while they still question exactly where this downtown is going, they are very aware that there are thriving businesses and something is going to happen and I believe that this core will become something that Meridian can be proud of in the future and will continue to blossom. I would say again, thank you for this opportunity. We are not going far and so we will be here and anxiously awaiting all of the wonderful new things that MDC will be doing and with that I would stand for any questions.

Bird: Shaun you have done a great job and good work in the three years, you have certainly started the downtown – in this economy has started the downtown recovery and we have seen it. You have accomplished a lot in this economic times and I appreciate the hard work you have done for us and thank you very much.

De Weerd: He speaks for the entire Board.

Lipschultz: Yeah, we are all in agreement with that. So thank you Shaun and as I said before, it isn't over.

Slocum: I do have one final question for Shaun. We are looking for champions and members for prosperity committee – I would like to be the first to invite you.

19. Adjourn the Meeting (Lipschultz):

Bird: Mr. Chairman I move we adjourn.

Slocum: Second.

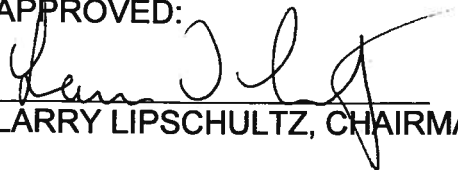
Lipschultz: A motion and a second to adjourn. All those favor say aye. Opposed.

ALL AYES. MOTION CARRIED.

MEETING ADJOURNED at 4:52 p.m..

(Audio on file of these proceedings)

APPROVED:


LARRY LIPSCHULTZ, CHAIRMAN

10/13/2010
DATE