

A Meeting of the Meridian City Council was called to order at 4:32 p.m., Tuesday, November 15, 2022, by Mayor Robert Simison.

Members Present: Robert Simison, Joe Borton, Luke Cavener, Treg Bernt, Jessica Perreault, Brad Hoaglun and Liz Strader.

Members Absent: Luke Cavener and Treg Bernt.

Also present: Chris Johnson, Bill Nary, Caleb Hood, Bruce Freckleton, Laurelei McVey, Dave Tiede, Shawn Harper, Joe Bongiorno and Dean Willis.

ROLL-CALL ATTENDANCE

<input checked="" type="checkbox"/> Liz Strader	<input checked="" type="checkbox"/> Joe Borton
<input checked="" type="checkbox"/> Brad Hoaglun	<input type="checkbox"/> Treg Bernt
<input checked="" type="checkbox"/> Jessica Perreault	<input type="checkbox"/> Luke Cavener
<input checked="" type="checkbox"/> Mayor Robert E. Simison	

Simison: Council, we will call the meeting to order. For the record it is November 15th, 2022, at 4:32 p.m. We will begin this afternoon's work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item is adoption of the agenda.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move adoption of the agenda as published.

Borton: Second.

Simison: I have a motion and a second to adopt the agenda is published. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the agenda is adopted.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

CONSENT AGENDA [Action Item]

- 1. Approve the Minutes of the November 1, 2022 City Council Work Session**

- 2. Approve the Minutes of the November 1, 2022 City Council Regular Meeting**
- 3. Frontline Subdivision Water Main Easement No. 1**
- 4. Records Apartments Sanitary Sewer and Water Main Easement No. 1**
- 5. Records Apartments Sanitary Sewer and Water Main Easement No. 2**
- 6. Summertown Sanitary Sewer and Water Main Easement No. 1**
- 7. Final Plat for Jump Creek South (FP-2022-0031) by Kent Brown Planning, located at the northwest corner of W. McMillan Rd. and N. Black Cat Rd. on Parcel S0428449525**
- 8. Findings of Fact, Conclusions of Law for Allure Subdivision (H-2022-0050) by Schultz Development, LLC., located at 5385 S. Meridian Rd., directly north of the half-mile mark on the west side of Meridian Rd. between E. Amity Rd. and E. Lake Hazel Rd.**
- 9. Findings of Fact, Conclusions of Law for Idak Subdivision (SHP-2022-0010) by Sawtooth Land Surveying, located at 840 E. Ustick Rd.**
- 10. Findings of Fact, Conclusions of Law for Slatestone Subdivision (H-2022-0039) by T-O Engineers, located at 2707 S. Stoddard Rd.**
- 11. Subrecipient Agreement Between City of Meridian and NeighborWorks Boise for Program Year 2022 Community Development Block Grant Funds for Homeowner Repair Program**
- 12. Subrecipient Agreement Between the City of Meridian and NeighborWorks Boise for Program Year 2022 Community Development Block Grant Funds for Homebuyer Assistance Program**
- 13. First Amendment to Subrecipient Agreement Between City of Meridian and NeighborWorks Boise for Program Year 2021 Community Development Block Grant Funds for Homeowner Repair Program**
- 14. Third Amendment to Subrecipient Agreement Between City of Meridian and NeighborWorks Boise for CARES Act Community Development Block Grant Funds for Mortgage Assistance Program**
- 15. Development Agreement (Torino Locust Grove Subdivision H-2022-0038) Between City of Meridian and Jeremy and Tara Rausch (Owner/Developer) for Property located at 870 S. Locust Grove Rd.**

- 16. Resolution No. 22-2355: A Resolution Establishing the Reappointment of Dom Gelsomino to Seat 1 and Jennifer Bobo to Seat 2 of the Meridian Parks and Recreation Commission; and Providing an Effective Date**
- 17. Resolution No. 22-2356: A Resolution Establishing the Reappointment of Megan Larsen to Seat 5 of the Meridian Solid Waste Advisory Commission; and Providing an Effective Date**

Simison: Next up is the Consent Agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move approval of the Consent Agenda and for the Mayor to sign and Clerk to attest.

Borton: Second.

Simison: I have a motion and a second to approve the Consent Agenda. Is there any discussion? If not, all in favor signify by saying aye. Opposed nay? The ayes have it and the Consent Agenda is agreed to.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There were no items moved from the Consent Agenda.

DEPARTMENT / COMMISSION REPORTS [Action Item]

- 18. Fiscal Year 2023 Budget Amendment in the Amount of \$181,000.00 for Supervisory Control and Data Acquisition (SCADA) System Security Upgrades**

Simison: So, we will go into Item 18, Department/Commission Reports. First item up is fiscal year 2023 budget amendment in the amount of 181,000. Is this going to be Laurelie? Mr. Tiede? Both?

McVey: Mayor and Council, this is a joint budget amendment paid for out of the Enterprise Fund, but the need arising from the interface of our SCADA system and the city's IT system. So, I will let Dave talk a little bit about the need.

Tiede: So, over the years we have been working to -- with Laurelie's Public Works team to shore up cyber security things across the SCADA system and this was one of the things

that was identified a couple of years ago and is -- obviously, has a pretty large capital impact. So, we brought it forth as a budget amendment. But what it comes down to is really looking at how we can isolate our systems, SCADA being operational technology, and the rest of the city systems in the event of a crisis, so that SCADA will continue to operate seamlessly. So, that is per best practices, that is per guidance from our friends at the federal level, CISA, et cetera. So, that's what we are looking to do. It involves a lot of different infrastructure components, servers, networks, et cetera, and at the end of the day the systems will operate separately, but still be interconnected with the ability to isolate them completely if the need arises.

Simison: And, Council, like he said, this was an item that was being considered for ARPA funding at one point in time and it was determined not to, so it was -- it's -- it's been in the works, otherwise, you probably would have seen it during the budget process last year. It is just fund balance from that standpoint. So, with that, Council, any questions for staff?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I assume that we need a motion?

Simison: Yes.

Perreault: Excuse me. Mr. Mayor, I move that we approve the budget amendment for fiscal year 2023 for the Public Works Department in the amount of 181,000 dollars for the SCADA system security upgrades.

Strader: Second.

Simison: I have a motion and a second. Is there any discussion? If not, Clerk will call the roll.

Roll call: Borton, yea; Cavener, absent; Bernt, absent; Perreault, yea; Hoaglun, yea; Strader, yea.

Simison: All ayes. Motion carries and the item is agreed to. Thank you.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

19. Discussion of Civic Block Time Extension Request

Simison: Next item up is Item 19, which is discussion of Civic Block Timeline Extension request. Have this down for Councilman Hoaglun.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: Just briefly for the record I will continue to abstain, recuse myself from discussion or decisions on any of this action.

Simison: Okay. Thank you, sir.

Hoaglund: Thank you, Mr. Mayor. In your packet the discussion tonight is about the Meridian Civic Block project that MDC and -- and city has entered into working on an MOA and we have a request by the applicant and a letter -- it's in your packet dated October 13th requesting a time extension for that. MDC has taken up this issue. I was at the meeting. I -- I didn't vote on that, since I'm on the Council and knew it would be coming to this body, but I did hear the discussion and they -- MDC Commissioners have come up with a recommendation for that and that is also in a letter to the Council dated October 31st and so we can wade through the details. I think Mr. Lakey is going to be presenting and -- and talking about this and -- and going through that and I think he is prepared for questions, along with Dave Winder, our chair, and -- and Ashley Squyres. So, I think, Mr. Mayor, that's -- we can get rolling on that.

Simison: Okay. Mr. Lakey, thanks for joining us.

Lakey: Mr. Mayor and Council Members, for the record my name is Todd Lakey with Borton Lakey Law, 141 East Carlton Avenue, Meridian, Idaho. And I serve as legal counsel to MDC. Council Member Hoaglund already introduced our Chairman Dave Winder and, then, Ashley Squyres, our executive director. So, Mayor and Council, I'm not here to advocate on behalf of River Caddis. I'm here to present our recommendation -- our board's recommendation to this Council and I thought I would start out just with a little bit of history to refresh everyone's memory on what got us here and kind of where we are. The RFP for that Civic Block Project was issued in the summer of 2021 with a due date in August 24 of 2021. We -- we received three responses to that RFP. We conducted interviews. There was a committee meeting that was in October of that year and the committee recommended River Caddis. We had a joint City Council-MDC board meeting. There were presentations from two of those entities in December of 2021 and, then, River Caddis was selected. We had initial meetings with River Caddis to kind of talk about moving forward in February of this year and, then, we proceeded to negotiate the memorandum of agreement and that involved the city, MDC, and River Caddis. That was completed and negotiated in April of this year. Then we negotiated the purchase and sale agreements. There is a purchase and sale agreement between the city and MDC and MDC and River Caddis and that was completed in July of this year. River Caddis' proposal, as contained your packet, they are -- they are requesting an extension. Their initial proposal -- they estimated in their response timeline that was included in their proposal, they estimated selection in October of 2021 and, then, they would commence site work nine months later, which was approximately July of 2022. But it took, essentially, six months longer to negotiate the memorandum of agreement and the purchase and sale agreements between MDC, River Caddis, and the city. So, that was kind of a joint effort and delay. But with that, if you -- if you stayed with the nine month timeline that was

initially in their proposal -- if it's nine months from the MOA that would have been January of '23 commencement. If it was from the purchase and sale agreements that would have been April of '23 for commencement. So we have the memorandum of agreement and the purchase and sale agreements that are in place. The memorandum of agreement requires that both the purchase and sale agreements and the owner participation agreement -- I will use the term OPA just to keep it shorter -- are to be negotiated and executed by December of this year or that MOA terminates automatically. So, the owner participation agreement or the OPA is the document with MDC that relates to the project and that spells out what they are going to do. It spells out their timelines and it spells out their reimbursement for the public improvements that are covered. We already have the purchase and sale agreements in place, so it's -- that owner -- excuse me -- the MOA that's requiring that OPA be completed by the end of this year. The purchase and sale agreements that we have they have built in a due diligence period that started as 180 days and, then, there were three 60 day automatic extensions. So, that puts us out to a June -- approximately June of 2023 closing. So, that's what we are looking at under the purchase and sale agreements. The due diligence largely is in the discretion of River Caddis. Our ability to terminate is, essentially, based on default and, then, there is some financing provisions that are the basis of MDC's ability to terminate. I will just hit the high points of our recommendation and decision. MDC was willing to pursue renegotiation of the MOA and the purchase and sale agreements with some caveats and that's our recommendation in your packet. The MOA is a joint agreement, so all three of us have to agree. The purchase and sale agreements are tied together, so, essentially, we -- we need to be on the same page with those as well. But our caveats were first that the Hunter Lateral, which has been kind of a major component in kind of wanting to be completed, even if this project doesn't go forward, because it makes the property more desirable for potential development, that that be completed during this offseason before the water comes back in. So, spring of 2023 and that would be a requirement that they move forward with that, that the city and MDC would have an opportunity to review the projected cost and approve that and if that's approved, then, they move forward and even if the project doesn't move forward, they still -- they could get out of the project, but MDC and the city would negotiate how to reimburse them for that cost. Right now under the agreements if they get out of the agreement and pursue that Hunter Lateral, then, the city is primarily the one that would reimburse them for that cost. In the purchase and sale agreement we wanted a specific date certain for completion of the due diligence, which is the evaluation of the viability of the project. We didn't want that to be drug out for a full year. We recommended a date certain of June of this year, essentially, thinking that would be long enough for them to figure out whether it's viable or not. The one year would apply only to the closing and then -- but also to the commencement of the project and, then, there was some brief mention of a potential change discussion regarding the project itself and we feel if that was a discussion and there was a significant change made to the project, then, that would need to go back out for RFP and we would need to put these agreements aside and, then, we wanted a specific timeline for that to occur to propose changes to evaluate whether they are significant or not and accept them or reject them and, then, also an agreeable timeline for completion of that OPA negotiation and completion and execution. So, with that, Mr. Mayor, Council Members, that's MDC's

recommendation. Again, I would be happy to answer questions, but this does have to have all of us on the same page or we stay status quo.

Simison: Thank you, Mr. Lakey. Council, questions?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you very much for going over that timeline. That was exceptionally helpful and answered a lot of questions for me. Has River Caddis responded to MDC's letter?

Lakey: I think -- I will -- I will look behind me in just a moment, but I think it's been a verbal response that they are on board. So, yes, Council Member -- Mayor, Council Member Perreault, the -- we have not received a written response, but verbally we understand they are okay with the -- the caveats that we have.

Perreault: Mr. Mayor, one more question?

Simison: Council Woman Perreault.

Perreault: Thank you. Do we have a recent estimate of what a reimbursement for Hunter Lateral would be and what would be the expectation? Ashley is shaking her head no.

Lakey: Mr. Mayor and Council Member Perreault, the last one we had I think was that two million that we all kind of looked at and went, uh, that seems to be a bit high. I think their proposal for the extension talks about going back and continuing trying -- trying to refine that number, but I don't -- we haven't received one. So, we have not received a definitive number back. That was part of our caveat to make sure that we got a better number and agreed on it before they proceeded.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thanks. This is really helpful. I guess I don't -- I don't really have questions. I have a lot of comments. Maybe one question -- I think Councilman Hoaglund actually confirmed for me in an e-mail in an indirect way, but I really wanted to understand the timing of -- at what point during site work the community center is no longer available to us.

Lakey: Mr. Mayor and Council Member Strader, I -- I believe there was an opportunity to negotiate that time frame in that agreement, with the understanding you may need it and they were going to calculate when ground was actually going to be broken. But I don't

think we have a definitive time frame. I'm looking to see if my recollection is correct, so --

Strader: So, my understanding from an e-mail with Council President Hoaglund was that the completion of the Hunter Lateral by itself would not render the community center --

Lahey: Unusable?

Strader: -- unusable.

Lahey: Mayor and Council Member Strader, I believe that's the case.

Strader: Yeah. So, let's assume that that's true, but that doesn't really remove my other concerns. I guess if it's okay -- I don't really have questions. I just have sort of comments. but I think the biggest issue that I have is that at the time that we entered into negotiations with River Caddis, the increasing construction cost environment -- that trend was known. Maybe not the extent of the trend or the acceleration of it, but that was known. The illiquid financing environment was known. I know it was, because I mentioned it. And the increasing interest rate environment was also known. And so I view those as macro level contributors to the reason that this project doesn't pencil for them right now. The biggest issue that I have is that they believe they need a time extension to figure out if it's viable or not, but it's very clear to me that they do not believe it is viable now. If it was viable we would be moving forward. They made a comment in their letter about changing the project that you alluded to. I find that of great concern and so the biggest issue I have with this compromise is that we are potentially taking on a large financial obligation for the city that we don't currently have today in exchange for a one year time extension for a developer when the things causing the project not to work were known and I don't see anything -- at least that they have indicated that leads me to believe that they will come to a different conclusion after that time extension. So, I'm really struggling with it. I'm also struggling, because the trend that impacts them impacts the construction cost of our replacement community center and so the longer that this goes, the costs for our new community center that we will need one day go up at the same time and so, you know, I -- I'm not supportive of an extension personally. I think it's a mistake to grant it. I think if -- if they really thought it was viable, then, they would be willing to take on more of the financial obligation around the Hunter Lateral site work. If they were willing to do that, if they were willing to absorb some financial cost and put some more skin in the game that would not be reimbursed by the city if they walked away that would be more meaningful. So, that's just where I'm at.

Simison: Council, additional questions or comments?

Hoaglund: Just a comment, Mr. Mayor.

Simison: Councilman Hoaglund.

Hoaglun: You know, I -- I just -- to kind of weigh in and just looking at the lay of the land if you will, you know, back in -- in August Boise Dev reported and the Statesman picked up BBA had delayed -- they said for six months construction of their 13 story building down -- two tower office down in -- in downtown Boise at North 4th and West Idaho and, you know, CEO Tommy Ahlquist at the time was saying, hey, the margin for doing this it just keeps going down and the risk goes up, because the costs keep going up. We are just being responsible partners with our dollars and -- and these are folks who know Idaho, who -- who understand the market, who have probably fairly deep pockets, but they are looking at the costs and the risk and going not now. Oppenheimer, same -- same thing. It's just a -- their 27 story -- they -- they went from 28 to 27 and that and, then, they talked about, well, we are going to probably make changes to that project as well and so -- and they hope construction could begin this fall. Well, guess what, nothing -- nothing has been dug. So, I mean it's not one solitary entity saying, oh, we got this project in Meridian, we don't want to do anything right now, because we can't make the costs work. I mean this is where we are in our economy at this time. Now, do we go into recession? Does inflation continue? Is it a V-shaped recession, U-shaped, we don't -- we don't know and I think that's putting a lot of people on pause. So, I -- I don't think the -- the request is out of line to -- to take a pause. I think it's just a -- a business decision to do that, along with many others who are doing that. The Hunter Lateral we have talked about does need to be done -- it's either now or later. We prefer now and it's going to be done by -- by somebody and we prefer now just because -- even if -- if the River Caddis was to walk away from this project, it would still need to be done now, so if we rebid it's ready to go with a -- a clean -- clean ground. So, that's something that I -- I think is -- is fine to say, hey, you have got skin in the game, you can come in and -- and do that and need to work that out. One year extension that I think is fine. The due diligence purchase is good. I -- I do have a question for you, Todd, regarding item number four on -- on modifications and trying to go through mentally how that would work, because if we -- if we say, well, we could -- we could say, well, we aren't going to decide on if we are going to extend until we know what you are proposing and so -- I mean that is an option. Otherwise, do we have to extend -- say, okay, we will give you the time extension, but, then, we want to talk about this and if we aren't in favor of what they are proposing, then, is there a way to terminate the agreement then? So, that -- it kind of -- if you can walk me through scenarios or the option or how -- what that looks like.

Lakey: Mr. Mayor and Council Member Hoaglun, just so I understand when you say item number four, it's -- it's our caveat number four where if they are going to propose some change?

Hoaglun: Yes.

Lakey: See, the -- the way that could work would -- would be, obviously, to put some kind of time frame around that. You come forward with a change by a certain date, you have the opportunity to review, we all have to agree that it's not a substantial change and approve that and if that doesn't happen, then, the opportunity would exist to terminate the agreement or them to move forward as whatever the status is of those agreements at the time.

Hoaglund: Okay. Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Yeah. So, Todd, what I'm hearing is there -- there is a way forward on that however we decide to -- to do it, so -- and that's -- you know, because a change can be significant and it might not be what we or MDC wants to -- to see happen. But at the same time I think it was River Caddis that had proposed the community center there and we said, no, we decided -- we changed our mind on that and let's make a change and they came back. So, the one -- one thing that gives me pause on saying, oh, they want to make a change, they are asking for extra time -- time extension. Nope, we don't want that. We are moving on. What does that make us look like to other potential partners? I mean we know that the way the landscape is will we even get an RFP or RFQ for -- for this site? It took a while to get the two last time and maybe there will just be one. That's fine. But is there going to be a longer delay? Is there going to be negotiations say, yes, we aren't going to start until 2024 and those types of things because of the market. So, what has that gotten us? But -- but -- and, then, to go back to that point about are -- are we going to be viewed as a partner that's not real trustworthy. We worry about trust with our partners and I think that's how we have to view it. This is a partnership three ways with the private sector, MDC, and -- and the city. So, are we being reasonable? Are we being reliable? Are we exhibiting a way to be good partners or are we going to be deemed a little bit -- a little dicey when you go into a partnership with the City of Meridian? I -- I don't know. So, that's -- that's -- that's a concern I have about just saying, eh, we are going to start over. Time extension and possible changes? Nope. Going too far. Well, the way the market is I didn't think that was unreasonable, so -- anyway, just -- just my thoughts on that.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I think those are really good thoughts. I mean the -- the biggest thing I'm concerned about is the sub cost fallacy; right? I mean we put a tremendous amount of time and effort into this and that's not insignificant. So have they. But at the same time a few things have changed that we do know. We have I think all individually at least or on some kind of basis discussed with Steve Siddoway his thoughts on community center and the cost of that are astronomical and I -- I'm -- I'm looking at this like -- I don't think the alternative is an RFP again. I think the alternative is this is the site of the existing community center that we have and it may be something that we need to make do with, renovate -- you know, we may be settling for something that's a little bit less than what we originally anticipated. I think if the financial obligation -- if this was a shorter -- if this was a short-term extension, because they thought they could renegotiate some of their costs and they had real clarity on changes to the project and the financial obligation to the city was something that was not two million dollars -- could be less, but not something in the order of magnitude of two million dollars, I might be more open in the spirit of negotiation and -- and partnership. But, again, I don't -- I don't think this is just falling on

us. You know, they were pretty emphatic in meetings with me that they have never walked away from projects and that during the recession they honored all of their obligations and I understand they are not legally obligated at this point to fully produce the project, but some of the issues that are in the background that make this project unviable were in the background at that time and so that's why I'm having a hard time. I -- I don't think -- because we put so much effort into it that sticking with it for purely the reason of economic development is a sufficient mitigant to move forward.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: Council Woman Strader raised something that's very intriguing with the -- with the community center being there and that -- that -- in that location. The only thing is that -- then that I would want to have discussions with MDC, because being in an urban renewal district and the tax implications and the revenue income that's expected and all those numbers that have to pencil out to make everything work that we would have to make sure if that was a city site what -- what in the world does it do to all that. So, that's a -- that's a way bigger conversation that -- that could be had and is that one we take up now before any decision on this.

Simison: And if I could just weigh in. I mean I'm not going to say it's never crossed my mind, but I can say I have never had a conversation with our parks director about this being -- at least in the last year and a half, two years about this being the location for a community center. So, maybe you all have had that conversation. I have not. So, I would definitely want to have that if that's the direction the Council is wanting to explore from that standpoint. But Steve and I have not talked about that.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Fair enough. Steve has not proposed that to me. I'm mentioning that because that's the bird we have in our hand; right? Like that is the community center we have today, as inadequate as it is, that -- that's what we have. This is the dirt it's sitting on and I -- I don't disagree that we should have a discussion about the urban renewal and et cetera, but the more I get into this the -- the more regrets I have.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you to my fellow Council Members for clearly explaining some of the pros and the cons and -- and bringing up the pluses and minuses on this. I think you have -- you have both shared those well. I -- I have similar concerns as Council Woman Strader and for me what -- what I would like clarity on -- the purpose of this discussion is

-- I agree with Council Woman Strader that there were a lot of general knowns. Maybe not specific knowns to the applicant, but there were general knowns and -- however a lot has happened in the last year since their application was submitted and the interviews were done. What I don't understand from the letter that they provided is what -- what was the most weighing factor? Is it time? Are they not getting -- are they not getting responses from their subcontractors at all? Are they getting responses and they are not what they expected? Or is it a cost issue? Because I personally -- I have many relationships, clients within the construction industry who would agree that costs have gone up 25 plus percent in many arenas, but the 77 percent I'm not understanding -- and I don't know what the time frame was that they are talking about from when they did their initial proposal for their project downtown -- that was really four years ago. So, I -- I want to understand what is the weighted factor for them, because maybe we are not even having a discussion about what their true concerns are.

Lakey: Mr. Mayor -- Mr. Mayor and Council Member Perreault, that's not a discussion that I have had, but Ms. Squyres is here, perhaps she can provide a little more color to that.

Squyres: Good afternoon. Ashley Squyres from Meridian Development Corporation. I have had that conversation with John and his father Kevin. So, when they put the proposal in they were estimating this project to be 60 million dollars. Now, how that number came to be about who knows. And, again, it was based on a project that ultimately we didn't approve, you know, with the community center. So, my understanding -- how it's been explained to me when they came to me in late July and said we have been trying to cost this out and it's coming in -- the numbers are coming in around 90 million. My response was based on what? Because all we have is a schematic. We do not have construction drawings. They have not started on those. The other concern I had -- and I have been very blunt with them -- probably maybe too blunt in some instances, but -- but the purpose is is they have a design build firm that is based out of Minneapolis that has been doing -- or obtaining all of the numbers for them. My comment back to them was so let me understand this. You have an out-of-state firm for an out-of-state developer asking for numbers based on a schematic design. These are not real numbers. Period. They are just not. Same thing for the Hunter Lateral. The schematic came in at two million. Now, granted, those construction drawings are finished at this point. We have been going through the process with ACHD and Nampa-Meridian to get the final approvals. We think that number is most likely going to come down. We have -- I have alerted John and Kevin from River Caddis that it would most -- it would be to the benefit -- benefit to have the Land Group, who is the civil engineering for that portion of the project, go out to bid. So, we have just been waiting on getting those final approvals to get that number. We do believe that number will most likely be closer to about a million, million two. So, we will wait and see where that actually comes in, but that's how the math has been generated thus far. It's really not based on anything in reality at this time.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: So, Ashley, what have they said about -- I was of the same understanding and that's been a concern that I have expressed to them personally and also to my fellow Council about the out-of-state -- that they are out of state, that they have a firm that's out of state that's getting -- collecting numbers and that may or may not be engaging with local companies here that -- that really truly specialize and understand what the needs are and how to hone down on those numbers for them in a way that -- that is in -- in a correct time frame. Do you think that they have -- that they can get there in 12 months and what are they doing differently in how they are collecting information on the costs than what they were doing before?

Squyres: I do know they are drilling down, Council Woman Perreault, and they are working with -- like I said Land Group especially on the Hunter Lateral portion. I do know that they are working to get better numbers and they are -- they are working on that. But the problem is we do not have design drawings yet. So, everything is still based on schematics and until we get to that point of having CDs, it's just a guesstimate at this point. For example, they gave me a -- a cost per space for the structured parking of 62,000 dollars per space. That is not even close to what is being seen throughout this valley at this time even with current projects. I have spoken to my counterparts at CCDC and the city of Caldwell who are doing parking structures right now. Those numbers are coming in the low to mid 40s. In fact, we just negotiated an OPA with Galena for Union 93, the first phase, and it was roughly 42,000 per space. So, the 62 is -- I think that's just an indication that the numbers are way off at this time.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: While Ashley is up there, question, Ashley. You know, this idea about a community center being located at that site instead, off the top of your head any -- any thoughts about, whoa, I mean this is just kind of thrown out there, but does that -- I'm sure that has an impact some -- some which way. Is that something we need to explore further?

Squyres: Mr. Mayor, Councilman Hoaglun, I have mixed feelings about the community center, just to be completely honest, because it does take that property off the tax rolls for us. But if it's designed appropriately into the project I think we can make it work. The challenge will be the parking and where do we put that parking and, again, that's just going to increase the cost of the project overall and, you know, the impact on -- on River Caddis ultimately to be able to deliver that parking, unless the city has the ability to provide some funds in that sense.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Yeah. It was my recollection when -- when we were designing the RFP process we needed a private entity to build something that could include the community center,

so we would have the parking and, then, they would include that, because they can have the return on -- on the rest of the -- whether it's business or apartments, that sort of thing, to -- to make that work, because we don't have the funding to make a big parking garage.

Squyres: Right now as the project stands and as it's -- as it is designed, it includes about 85 public parking spaces that are not tied to any commercial or residential parking requirements. I don't know if that would be enough for a community center. I -- I simply don't know. I have heard the numbers that Steve has thrown out in terms of the size of a community center that he would like ultimately, but I don't know if you could retrofit all of this in and -- and the other thing to keep in mind is, you know, the more parking we need to include in the project the higher the project goes up and right now we are at eight stories.

Simison: Well, Ashley, I don't want to speak for Councilman Strader, but I'm going to. What I heard was a community center in lieu thereof. No River Caddis project. So it, would be -- it's not an addition into it, it's -- that project goes away. Only a community center on the property.

Squyres: That would be detrimental to downtown, to be completely honest with you. Our geographical footprint for downtown is very very small. That takes away a very key block that has always been envisioned to be a mixed-use project of some sort. To take that away it will damage the Union District as a whole. It takes away our ability to fund a festival street on 2nd Street and to activate truly our downtown the way that we envisioned. If it's part of a project I think that's a different conversation, but I think to completely do away with the mixed -- excuse me -- mixed-use project, that would harm downtown in my personal opinion.

Hoaglun: Yeah. Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Yeah. Ashley, sorry, I wasn't clear on that. That was in lieu of. That was -- the idea was to do away with that and just make it a community center and --

Squyres: My apologies.

Hoaglun: -- and that -- and -- and that's why I was curious about the tax implications and the funding and all that stuff and I think you laid it out fairly -- fairly clearly there, so --

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I think that it begs the question of if this falls apart and this project doesn't happen and no project happens and we have created an urban renewal district, what will happen?

Squyres: Mr. Mayor and Council Woman Strader, we do know we have a developer who is willing to step up, who -- if we were to go back out for an RFP. They have come to us, they said, you know, if you can make it work with River Caddis that is great. If you cannot we are willing to put in a proposal and we will do a project. It will not be the project that River Caddis is proposing, it will be a different project, but we are willing to step up and do a project for the civic block.

Strader: Yeah. That wasn't -- but that -- sorry. That wasn't really the question I was asking. So, we have a community center today that exists. We created an urban renewal district. It's not really being fully utilized. How do you unwind that? Can you dissolve it? How does it work legally?

Squyres; Mr. Chair -- Mr. Mayor and Council Woman Strader, that would do harm to the Union 93 project. We have financial commitments to that project that is part of the Union District. You also have the Union District that takes on part of the block that is bounded by Main, 2nd, Idaho and Broadway that we have financial commitments to right now as well.

Strader: Mr. Mayor, if you don't mind?

Simison: Council Woman Strader.

Strader: Yeah. No. I appreciate you saying that. So, if -- let's say that this project isn't viable. Let's say -- it would be great if, you know, the folks next door could step in and do something we all really like. But let's say that we don't like the proposal or the conditions in the market make it so that there is no viable proposal. So, we will have an urban renewal district that we have been creating -- you have created. We have the financial obligations you just outlined and we will have an existing community center on an underutilized piece of dirt in downtown. What will happen?

Squyres: Eventually, Council Woman Strader, Members of the Council, eventually the market will correct itself. The Union District was established in 2020. It has a life cycle of 20 years. So, we are two years into the district. So, to say that we have -- we are not going to create something in the next two to four years is not detriment -- not completely detrimental to the district. It still allows viability for a project to move forward in the future.

Strader: Mr. Mayor, if you don't mind.

Simison: Council Woman Strader.

Strader: Sure. Yeah. I understand. But I -- I guess what I'm asking is let's say there is no development on the community center site and the rest of the urban renewal district's been created, you still have those other projects that are part of it, how -- how will -- do you need to model it out to see what would happen? I'm just curious what would happen. Like do we think that without the development of this specific block the entire district is underwater?

Squyres: Mr. Mayor, Council Woman Strader, we only reimburse for improvements for the Union District what is collected through their tax increment, so it will not be underwater. What it will do is it will hamstring our ability to do the public projects that were envisioned for this area.

Strader: Right. And so to be specific about those public projects, if you don't mind listing them, so, obviously, we wouldn't get the things that were attached to this project; right? Like the Festival Street. What other improvements would not occur?

Squyres: 3rd Street would be -- and Broadway as well. The -- the frontages, the streetscapes surrounding this. 3rd Street, as you may know, is a major collector that is slated to eventually connect Fairview to Franklin. We have not finalized the whole list of projects for this district, because we were waiting on this project. As you know, we have been negotiating with two different developers over the last two and a half years to make something happen on this block.

Strader: Yeah. And -- so, Mr. Mayor, if I can --

Simison: Council Woman Strader.

Strader: -- rattle on a little bit. And so -- and I'm just trying to push on where the constraints are, because, you know, it -- it sort of begs the question. Okay. You know, if this project is not viable, but, then, we can engage in a different RFP maybe with local developer to -- are you? Okay? I'm sorry. Okay. Oh, I'm sorry. I didn't realize that.

Squyres: All right. Thank you. Sorry about that, guys.

Strader: No. No. I'm -- I'm sorry. That's terrible. So, if -- okay. So, if -- If we -- if we feel like conditions aren't going to give us a project that we like and, then, we decided to RFP community center, expand like -- either big expansion of our community center or replacement or whatever on that piece of property, do you feel like because it's only a community center that the same adverse effects would occur, because you wouldn't get the same tax increment or how does that -- how does the change from mixed-use to -- to dedicated municipal properties sort of -- does it have that same impact?

Squyres: I'm not sure if I'm completely following the question and I apologize. I have, obviously, misunderstood you several times today and I --

Strader: No. You are fine.

Squyres: Are you -- are you talking about as part of a mixed-use project or just stand alone at this point?

Strader: Either way. I mean --

Squyres: Like I said stand alone we -- obviously we get no increment whatsoever. It precludes the development of the rest of the -- rest of the block. There is just not enough room left to be able to redevelop, especially with COMPASS, VRT will remain, Unbound will remain, it just leaves the parking lot. So, that's a challenge for us. If it's part of a project, a mixed-use project and built into what we initially envisioned, then, it doesn't have the impact that way for downtown.

Strader: Right.

Squyres: And I think it can work as a hybrid with public-private partnership. The biggest challenge we had was just trying to accommodate what Parks envisioned for their grand master plan, in addition to all the parking -- the site is just -- it's pretty small. That's the -- that's the problem that we just kept running into.

Strader: Yeah.

Squyres: But if that's the direction the Council would want to go in order to move forward, I think we could reopen that conversation. I'm looking at legal counsel now saying is this a change to the RFP decision that we have made.

Strader: I don't know, Ashley. I'm just talking out loud, because I -- like -- just not to like overly simplify it, but from where I'm sitting the -- the challenge is we are giving up our existing community center and the same issues around increasing construction costs are going to impact us either way, but we are not getting, you know, the project that we wanted potentially is really how I read their response. I guess I -- you know, I'm -- we don't have the full Council here, but I think we could get some feedback on the record from one other Council Member. I mean in the -- in the spirit of like how much work's been put in, if people wanted to explore how much it is to -- really how much it is to redo the Hunter Lateral and get more clarity around that, I -- I'm okay with kind of like letting this bob along for a bit to find that out. I just -- I have -- in principle I have an issue with taking on a pretty large financial obligation when there is just nothing coming from the developer that gives me any certainty that a time extension is going to solve the issue. That's really where I'm coming out.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Just one more quick question. So, Ashley had said that if a -- the design has not been done and that was -- I pulled up their original timetable and it looks like that was slated to be kind of the third -- the third part of their project, preconstruction entitlements and design. Where does that push us -- push our timeline? Obviously, they are not going to invest the expensive design until there is some other -- there is some other elements that happen and I assume executing on the purchase and sale agreement was one of those and so, then, if we have this, you know, situation where we need the drawings to get the correct estimates, we have this chicken and egg situation, is that something, then,

that they could -- that -- that we could request that they move up in their process timeline and, then, is -- is -- is that part of -- does MDC want to put a deadline in our response to them for those design documents, so that we can get some accurate numbers? It just -- you know, I'm -- I'm -- I'm really very concerned that we will be a year out and we are going to have the exact same conversation about this. It's too expensive to build and now we are a year later, there is a lot of changes that are going to come in the next year and we really have not made any progress in terms of this being viable. I just -- I know we don't -- I know we are not going to get all the information right now and we can only make the decision based on what we have, we just need to know from you what it is we don't yet know, because we haven't had individual conversations with them.

Squyres: Mr. Mayor and Council Woman Perreault, I think with the requirements or the recommendations through MDC that they start -- begin construction within that one year time frame, that they are going to be required to have their construction drawings in order to be able to start -- to meet that requirement. So, I think that's already included without being said specifically, but I understand your concern.

Simison: So, Council, you know, we have had a request to wait until we get, you know, the rest of the Council back. I'm not sure when we are ever going to have them all back. You know, maybe we just ask Joe and he's going to be gone, since he recused himself when we choose that one for the conversation -- just -- you know, I just -- I'm not sure we are ever going to have all five of you in the near immediate future here. I don't know that for a fact. I don't know if the clerk knows. So -- and I don't know what the timing is in terms of when MDC truly needs an answer on this topic. You know, I'm just going to speak for myself from my -- you know, I probably have had the limited interaction with River Caddis compared to others. I have found them to be focused on getting the project done. I found them to be truthful and honest in my conversations with them. There is a lot of things that I chose not to do based upon the cost of things in my life and have put them off and I don't blame others for making similar decisions. The Hunter Lateral -- I -- I kind of look at it this way. If we were to say we are not going to do it and -- and throw it out there, I don't think the city can do it in the time frame. I think that that -- I don't think we -- we could go out to bid and get somebody in under our RFP time frame, that it could be done this year. So, you are looking at not even being able to do that until the following year if it becomes a city responsibility for anything on that -- on that property to do it. You know, I have had issue with two million and I have issues with 1.2 million, to be honest with you, you know. I -- I still think that that's a very high cost, you know, personally, but I have not been out looking in the construction market for, you know, what -- what that means. But I -- I -- I'm under the viewpoint that we should -- should continue to try to work with them to accomplish these goals, because one way or the other I think a lot of the stuff that is going to need to be accomplished, if we want to see redevelopment of that property of anything. Now you, could say we -- we do the property without somebody else, we put out the RFP, the property is more valuable then. Once -- once you do the Hunter Lateral it's got a higher value, you know, because it's now more developable from that standpoint. So, there are costs and benefits. But open to whatever direction the Council wants to go, but it's my hope that we continue to try to move forward, because, otherwise, I think we are delaying ourselves by at least a year on top of not moving

forward. Even if we move forward and they accomplish this, I still think we are back to where we would be irregardless on the back end. My two cents.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: At minimum I -- I really would just like to get a response from River Caddis on the letter that was provided and I imagine they will watch this meeting and any questions that they can answer from this evening and the letter that -- that MDC has sent, I would -- I would like to hear that response for myself before I make an official decision on an extension.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I -- to be comfortable moving forward with any solution that looks like this, I would need to know a better estimate on the cost of the Hunter Lateral. So, that's a gating item and, you know, if -- if in the response that Council Woman Perreault has mentioned, you know, they want to look at what -- what they are -- you know, what skin in the game they are going to put into the Hunter Lateral, I think that would be helpful as well. I take your point, Mr. Mayor. I -- again, right, it's -- it's taking on a financial obligation that we don't have today and I just -- I think it's irresponsible to agree to -- to reimburse for it when we don't have any reasonable cost estimate and two million dollars is unreasonable to me and I don't feel like the benefit we get from giving a one year time extension is worth two million dollars at all.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I -- I think one of the things that we also need to make sure we understand is if they want to make changes or -- I guess the changes -- the plan was good and we took out the 20,000 square foot community center, so we knew that wasn't going to work. But what changes would they make now that -- would we find those acceptable? I mean that might be something that we don't find acceptable. So, I think having that discussion early on in the process before we make a final decision might be the best way to go. I think it also gives MDC a time to look at things like, okay, here is really why a community center at this site would not work, just a full -- fully functioning -- Ashley, you laid out some things there, but I think just to be able to have time to think that through and reinforce the vision that we have for a vibrant downtown core. So, I -- I -- I think that's just some of the things that we need to do. So, I think we need to take a pause on making a decision on this and is there any idea, Todd -- actually, Dave, what -- what type of time frame would be acceptable, doable, to kind of -- and -- and I -- I would invite, you know, River Caddis to also -- when it comes back to us to comment. I would assume MDC would have the

discussions with them about potential changes to the project, but, then, also to talk about schematics versus design and what that looks like and those types of things.

Lakey: Mr. Mayor and Council Member Hoaglund, I will start and -- and if Ashley has some comments she can chime in as well. But this is -- as I mentioned at the beginning a cooperative effort. We all have to be on the same page and we have some of those caveats that we wanted. If the city has some additional caveats that's your prerogative. We all have to be at the end of the day on the same page on those things. So, if you have some other items I think that's within your prerogative and appropriate. I think we could probably get a response back from River Caddis pretty quickly as far as their explanation and -- and Council Member Perreault, the -- their responses to some of the issues that have been raised. But even our approval was approval of pursuing renegotiation, not just an approval of a one year extension, and so that will take some time to figure out what -- what that looks like, what you -- what additional items you may want. The hard deadline we are facing is the end of the year for exploration of the MOA and, you know, we are all running into the holidays and whatnot. So, it's probably in all of our interest to figure out what and if we are willing to move forward as soon as we can. But totally understand your desire to have some response and have maybe some input from other Council Members. So, that -- that would be my response. Ashley, I don't know if you have anything else.

Squyres: No. You covered it. Thank you.

Hoaglund: So, Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I -- I would propose there is not an ordinance or anything before us, but just propose that we continue this discussion to a time certain and we can work with MDC and -- and River Caddis and -- and folks -- the Council as well to -- maybe there is some additional things that you want to put forth that you can work on and, then, we can meet again and -- and have a -- have a further discussion and -- and, hopefully, come to -- come to a decision and -- that all parties can -- can agree to, so -- I don't view this as a waste of time, it's just part of the process and -- and we will -- we will get there.

Simison: Okay.

Lakey: Okay. Thank you, Mayor.

Simison: All right. We will -- we will try to get this back on, honestly, next week. I -- I don't know who all is here next week or if River Caddis can be present, but I think in order to try to meet the end of the year time frame with the meetings we have, I don't know that we should be putting it off more than a week at a time. At least if -- if that's our time -- time frame, so --

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Is it realistic, though, to get a cost estimate on the Hunter Lateral. That doesn't seem -- I'm just -- that doesn't seem realistic to me and that -- for me that's like --

Simison: Is that the only issue you have? You have nothing else from River Caddis that you would like to hear or --

Strader: Oh, I would love to hear from them. I probably have so many questions for them, but yeah.

Simison: But as far as we can --

Strader: Okay.

Simison: I don't know that we are going to get a good number until someone goes out to bid on it.

Strader: Yeah.

Simison: And I don't know that anyone wants to go out to bid until they know that -- who is paying for it one way or the other. I -- I don't know if that's -- those are the conversations which are a little bit of a question mark and I don't even know if we go out to bid to get it done by March 15th. I assume that's our date that we have to have it done by. I -- I don't know if you can go out to bid in January and get something done by March 15th, so -- to be -- to be continued as quickly as we can for whatever we can moving piece by piece.

20. Community Development: Analysis of Housing Code

Simison: Council, we are at 5:30. What's your pleasure for this next item? Mr. Hood, I don't -- is your presentation 20 minutes?

Hood: Mr. Mayor, Council, I can scale that way back if you want to spend the next ten minutes or -- or 15 or whatever you want or we can look at another -- another date.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: As you know I have -- I have been working with Caleb on this for a while and I -- I really don't want to have a really short meeting in which we don't get to fully get through this list. At the same time we have really been wanting to get this on. Caleb and I have been working toward getting this on the calendar for a few weeks now and for no other reason than there has just been a lot of delays that -- that have -- don't have to do with this, but that being said, if it's possible to move it to the regular meeting or -- I, unfortunately, may not be here next week and so I just want to share those if -- if we are

making a decision about whether we are going to -- but ten minutes is not going to cover it. Caleb, would -- would try with all earnestness, I know he would, but it's not --

Hood: Ending up we can go fast. No. But --

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: With the meeting tonight where we have got a -- one agenda item that's going to go very very long tonight. There will be a lot of people testifying, so if that's the only downside of -- of moving this to -- to the regular meeting is -- is that fact. So, I mean -- and next week -- if Council Woman Perreault is gone next week, we will -- we will do it the next -- first available meeting that -- that we can, if that's --

Hood: I will get with Chris and Council President and the Mayor and we will figure out another date, so -- I would just -- if I may, Mayor. I did put a memo in your packet. I don't envision that changing too much. I'm going to, essentially, work from the memo and -- and the list that is attached. So, if you could review that -- maybe you have already. That's great. I appreciate that. But that's, essentially, what will make the -- when we do discuss this go even more efficiently.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I could likely make a work session next week. Not sure about the regular meeting, but if we keep it on the work session I will be here.

Hood: Mr. Mayor. Sorry. I'm out of town for Thanksgiving next week. I didn't say anything, because I didn't think it was a potential, but I can remote in. If we -- if we absolutely have to I can remote in, but I will be out of -- out of state.

Simison: Okay. Well, we will look at opportunities tomorrow based on this and -- and the River Caddis, quite frankly, because I don't know the next River Caddis conversation is going to be quick either, so --

Hood: All right. Thank you.

Simison: All right. Thank you, Caleb.

Strader: So, Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: I move that we adjourn the work session.

Strader: Second.

Simison: I have a motion to adjourn the work session. All in favor signify by saying aye. Opposed nay? The ayes have it and the work session is adjourned.

MOTION CARRIED: FOUR AYES. TWO ABSENT.

MEETING ADJOURNED AT 5:32 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT E. SIMISON

_____/_____/_____
DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK