

Meridian City Council Work Session

May 3, 2022.

A Meeting of the Meridian City Council was called to order at 4:30 p.m., Tuesday, May 3, 2022, by Mayor Robert Simison.

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

Also present: Chris Johnson, Bill Nary, Todd Lavoie, Keith Watts, Alex Freitag, Tracy Redman, Tracy Basterrechea, Scott Colaianne and Joe Bongiorno.

ROLL-CALL ATTENDANCE

☒ Liz Strader	☒ Joe Borton
☒ Brad Hoaglund	☒ Treg Bernt
☒ Jessica Perreault	☒ Luke Cavener
☒ Mayor Robert E. Simison	

Simison: Council, we will go ahead and call this meeting to order. For the record it is May 3rd, 2022, at 4:30 p.m. We will begin this afternoon's City Council work session with roll call attendance.

ADOPTION OF AGENDA

Simison: Next item is adoption of the agenda.

Hoaglund: Mr. Mayor?

Simison: Councilman Hoaglund.

Hoaglund: We have no changes for the agenda, so I move adoption of the agenda as published.

Borton: Second.

Simison: I have a motion and a second to adopt the agenda as 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: ALL AYES.

CONSENT AGENDA [Action Item]

- 1. Approve Minutes of the April 19, 2022 City Council Work Session**
- 2. Approve Minutes of the April 19, 2022 City Council Regular Meeting**

- 3. Approve Minutes of the April 26, 2022 City Council Work Session**
- 4. Approve Minutes of the April 26, 2022 City Council Regular Meeting**
- 5. Mile High Pines Pedestrian Pathway Easement No. 1**
- 6. Final Plat for Pera Place Subdivision (FP-2021-0061) by Leavitt Engineers, Located at 4600 W. Daphne St.**
- 7. Final Order for Graycliff Estates Subdivision No. 2 (FP-2022-0005) by KB Home, Located at 684 W. Harris St.**
- 8. Final Order for Graycliff Estates No. 3 (FP-2022-0012) by KB Home, Generally Located South of W. Harris St. and West of S. Meridian Rd.**
- 9. Final Order for Pura Vida Ridge Ranch Subdivision No. 1 (MFP-2022-0001) by Centurion Engineers, Generally Located South of E. Lake Hazel Rd. and East of S. Eagle Rd.**
- 10. Findings of Facts, Conclusions of Law for Vanguard Village (H-2021-0081) by Meridian 118, LLC, Generally Located 1/4 Mile South of W. Franklin Rd. and S. Ten Mile Rd.**
- 11. Acceptance Agreement for College of Western Idaho Display of Faculty Artwork in Initial Point Gallery in September 2022**
- 12. Fire Department: Subrecipient/Beneficiary Grant Agreement from Homeland State Security Program for Incident Command Trailer Technology Upgrades**
- 13. Acceptance of Bid and Approval of Contract for Chateau Park Playground Construction to Great Western Installations, Inc. for the not-to-exceed amount of \$222,697.95.**
- 14. Resolution No. 22-2323: A Resolution Amending the Information Technology Records Retention Schedule; Authorizing the IT Department Director and City Clerk to Implement the Schedule; 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 adopted.

MOTION CARRIED: ALL AYES.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

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

DEPARTMENT / COMMISSION REPORTS [Action Item]

15. Civic Block Presentation by River Caddis Development

Simison: So, we will go right into our Department/Commissioner Reports. First up is Item 15, which is Civic Block Presentation by River Caddis Development. It looks like we might have John, Gary, Mark here to come forward. I don't know who is going to come on forward. If you wouldn't mind, whoever is going to be leading this presentation. All right. If you can state your name and address for the record, please.

McGraw: John McGraw. 1038 Woodbridge Road, East Lansing, Michigan.

Sindell: Mark Sindell of GGLO. 1199 Shoreline Lane, Boise.

Schuberth: Gary Schuberth. 4725 Park Street, Shawnee, Kansas.

Simison: So, thank you. The time is yours, gentlemen.

Sindell: So, Mr. City Clerk, do we have the presentation?

McGraw: All right. Sorry about the wait. Thanks so much all of you for having us. It's been a while since we have been here. We are very excited to be here again. John McGraw, River Caddis Development. The last time that we spoke we presented on a preliminary or conceptual plan based off of ideas we had as a group of what we thought that -- what we thought would be a good idea for Meridian with the limited knowledge that we have and over the past few months we have been able to engage with local stakeholders, with government, with people who live here and get a better understanding of a project that is not only feasible, but complementary to downtown Meridian and so today the goal of us is to explain to you what we have done, who we have talked to, the feedback that we have gotten and, then, how we have translated that into a site plan, into a conceptual drawing and, then, after that we would love to hear your feedback. Our goal

as a group is to collaborate, is to take what we hear and translate that into a drawing and, then, get more feedback, refine again, and keep doing that until we have a plan that works for everyone. So, today we got John McGraw, we have Mark Sindell, our landscape and placemaking expert, and, then, we have Gary Schuberth from Opus Design Built and -- who is assisting in the design portion of our project. So, I'm going to actually let the experts talk now and I will wait until we have questions and all the hypotheticals, but Mark's going to take over. So, thank you.

Sindell: Thanks, John. So, thank you. I think you know us, but, as John said, it's been a while, so just briefly well rounded design team. Opus has design and build, so that smooths things out given this market and Gary representing design today. GGLO -- hopefully you know us from working in the Treasure Valley for several years and we have done enough to be dangerous in -- in Meridian, including being involved in the project across the street from this one. Our -- our main approach is place making and making sure that as cities grow rapidly, as Meridian's downtown is, that identity and culture are perpetuated, not diminish through these projects. That's a really important thing and, hopefully, the process that we are going to talk about that we have gone through on this project demonstrates how we do that and, then, we also have The Land Group, important local civil engineer, on this project, given the Hunter Lateral and work with ACHD and others. So, the project -- we all know where it is and we always want to keep in mind the distillation of the goals of the project and as we get into the details we always want to pull up and make sure that we are accomplishing this in every way possible. I think this is really important for a catalytic project like this. Also want to remind ourselves where we left off. So, this is where we left off when we first came in front of you without the benefit of all the input that we have had over the last many weeks. Timeline is always a good thing to remember. So, we are now -- and hard to believe -- spring going into summer of '22. How did that happen? Focused on predevelopment public input, which we will talk about quite a bit. Programming. Infrastructure planning. Preliminary design. And, of course, ultimately approval from you all. And as we get into fall and winter of this year we are going to get into design, documentation, permitting, all the good preconstruction services that are so critical right now. The Hunter Lateral relocation during the window of season when we can do that and, then, of course, agency coordination with ACHD and others. And, then, hopefully, if all goes well, the idea is that in 2023 and 2024 we have got building construction underway, 2nd Street construction underway, and somewhere in 2024 in there is the grand opening. Okay. All right. Let's talk about public involvement, because back to what I said before, we really do want to make sure that an important project like this that's going to have a major influence on downtown, is responsive to the needs of the community and so we did engage a process. What we have completed so far since we saw you last is a public workshop in person, an online survey, which we have the results for. That was April 7th and really focused on identity programming and preliminary layout and, then, we met with the Chamber of Commerce, did another presentation and update, and, then, we have been holding stakeholder meetings with adjacent property owners and we will continue that into the month of May, where we have another public workshop, more stakeholder meetings, as I mentioned, and, ultimately, an open house, then, in June. I won't go too deeply into this, but as part of the public process and how we started off, we really want to focus on identity and understanding, the ethos

of Meridian, what we are doing probably will look a little different than what's -- what's been done in the past, but we wanted to very intentionally represent the identity of Meridian as a city and so part of what we did is look at attributes and livability attributes and why folks continue to live here and continue to move here and try to distill those down and, then, translate those through design. Also we have been looking at the multi-block radius, a five, a ten minute walk downtown to understand how this knits into that fabric and, then, obviously, what some of these public amenities that we are excited to work on -- 2nd Street, public plazas, how all that works together with existing infrastructure of the city and with new projects coming online, like Union 93 across Broadway. So, these were born from the public process that we brought up to try to hone in on some priorities with that and get some visual preferences. Also in the -- in the public involvement process we were showing some initial programming and initial planning to help garner some input, including these plans and the motion of 2nd Street as a festival street that could go one, two, or four blocks and, then, we also looked at visual preference for programming an urban oak space northwest corner of the site that would work as a network with 2nd Street and with the public plaza across Broadway with Union 93 and, then, of course, 2nd Street itself. So, here is the online survey and some of the things we asked and I have got a summary of this in the end that we can come back to any of this that you want to dive into. So, we asked a couple of questions to understand who is responding. So, we had about 40 respondents, roughly -- 39 technically. Most either work or live in Meridian. Less are just visitors. Most have been here for a while. Eight plus years. And, then, we asked what are -- what makes Meridian a great place to live? What words represent the identity of your town. No surprises here. Family friendly. Safe and healthy. Local business. Historic. All those things that we typically hear about Meridian. We asked what program items would you like to see as part of the public open space and -- and as far as the festival street, urban plaza, flexibility, shaded seating, festivals and events, street trees, site furnishings, all those good things and, then, we asked how far those improvements should extend. Eventually we assume this is phased. We will start with the block adjacent to us and could move forward and there is a lot of interest and support of this festival street, found that from the Chamber, found that from the public survey, so at least two blocks and in some instances four blocks was of interest. So, if we were to distill that down, what we heard through the survey from an urban plaza program is flexible urban plaza, place to grab -- if you are grabbing a sandwich or coffee, a place to sit. Speaking about seating -- shaded seating. Festival lighting. Some sort of interactive seating and, then, interactive player art element potentially. Qualities. Family friendly. Local business support. Walkable connected. Historic. Community centric. All those things that we are used to hearing. And, then, we talked about the festival street. So, this all plays into what you are going to see translated into your design and that's just one area of input. So, that was the survey for public -- the public workshop in person. There was a lot of support for the festival street and for ground floor activation. We were asked to consider height, bulk and scale, particularly in the east side of the project facing the single family homes and desire for mitigating that through open space, somehow integrating the building and the trees and landscape to soften. We have been working with a working group and -- which includes folks from a bunch of agencies and from you all and the input that we got -- especially from the working group and from the city was in front of you previously. Expand retail commercial on the ground floor, make sure that we are activating our downtown.

Add public urban open space. It could be small, but quality is important. Provide public parking. Shift vehicle access and loading from 3rd to Broadway. And this is all based on that original plan and find ways to mitigate height, bulk, and scale again on that east side. So, these are things we really keyed on to. So, when we get to the preliminary plans, the first thing we did was a shadow study to understand how to limit any impact on the -- those homes to the east side and what we quickly learned by studying this is if we flipped the building from what you said before basically merited and had the courtyard facing east, we could step the building down by pretty much 50 percent facing those homes, which brings it to scale and really limits shadow impacts. So, from this shadow study what you can see here is that, really, the only shadow impacts are in winter when it's least important and we are in really good shape in spring, summer, and fall. So, we are pretty happy with the impactful results of that. Second thing was looking at open space. We are losing open space. How do we make sure we gain something that's better and this is an evolution. The existing open space of Centennial Park is about 20,000 square feet. Lawn. Trees. Restrooms. Other amenities. A little more urban, enter suburban. So, we thought, okay, how do we increase that and have it more representative of a downtown and more active and so we are actually getting over 72,000 square feet in total when you look at conversion of the festival street, addition of this urban open space in the northwest corner and Union 90 -- the Union 93 Plaza and we think this is going to be a pretty dynamic network of open space that as folks see and get to experience it is more than just an in kind replacement, but quite an upgrade. So, this is the plan. So, you can start to see the building with the courtyard facing 3rd -- or facing east and, then, you see reimagined 2nd Street as a festival street, but there is open spaces, Compass and Unbound there, and, then, there is a pass through that goes from Broadway to Idaho for getting all that garage access and trash room access really internally hidden within the project and, then, it's diminish any disruptions and, then, you see there is no access off of 3rd per what we heard and what the -- what ACHD was asking for. A blow up of those plans. We can come back to these in more detail. And, then, this is a section of the festival street, which is intended to function as a street flush, kind of like the back blocks. Curbless, but, then, can be shut down quite easily for festival -- festivals and events. The things that we are interested in testing is cells with larger trees, given some of the feedback we heard, and seeing what other cities are doing, so we would be curious to hear some input on that. We think this could be a demonstration project. And, then, here are the renderings. Let me just show you this one on that open space or that public plaza tucked under the building for shade, with special seating and planters and trees and, then, I'm going to turn it over to Gary to walk through the building.

Schuberth: So, what -- what follows here is, you know, kind of a three dimensional form of the building based on the principles and the feedback that Mark was just describing from all the workshops. We have really organized the building, both horizontally and vertical -- vertically in -- in a specific way. We have got a strong base to the building, then, a type of middle portion and, then, we have capped it off with -- crown of cap type elements at the corners of the building and we have modulated the colors and materials, both vertically, so we will see some subtle striations of materials, subtle changes in brick color, panel colors as the building goes vertically. We have also created strong corners on the building. A lot of masonry at the -- at the main intersections on those hard corners.

Here you see at Broadway and 3rd. We have a -- a white element that frames the retail store fronts at the base of the building and wraps the corner at Broadway and 3rd. Follow that around. The entrance to the apartments would be at the far left at the bottom of the page. Entrance to the apartments. Also to the right you can see the -- where we step the building back and flip that courtyard that Mark was talking about. So, to reduce the impact, you know, 50, 55 percent in the length of that building has been pushed back about 90 feet off the street. That is landscaping along the street there, both at the street level and at the -- at the deck level -- pool deck to help screen views down to the neighbors. And, again, strong masonry corner on the building. This is the entry to the apartments near 2nd and Broadway. Kind of shows the north-south access, kind of a service drive to the parking and deliveries. You can see that on the left. The apartment entry. And, again, the parking garage, we are looking at some screening elements to screen those garage openings with some decorative shin type elements. Here is the view on Broadway, kind of a head-on elevation view. This -- this really shows kind of the way we are organizing the elements around the building. Again, strong vertical corners, strong horizontal bands, and, then, paying a lot of attention to the -- to the streetscape and the scale of the building as it hits the street and the sidewalk. Walking through the floor plans. Again, kind of the -- the lower -- starting, again, at the lower right, we have got the retail building, got the entrance to the apartments at Broadway, that north-south service spine, going up to the upper left and we have got the retail plaza -- or the recessed plaza off of a retail space. Again connecting to that festival street, trying to bring that -- that activity and activation from our building to the festival street and back. Parking garage is wrapped up to the northwest -- northeast. Second level of parking -- and, again, a two story retail space. Third level of parking. The fourth level of parking we have got it wrapped at the east and the south, with the apartment units. And, then, once we get up to the fifth floor that's the pool deck and, again, that courtyard that faces to the east and kind of roughly a T-shaped floor plan. And typical floor plan. And that's the overview of the building.

Sindell: And one thing to point out that is important, the hundred public parking stalls are at the ground level. There is also an expanded trash room off of that alley for COMPASS and VRT and we met with them, they were really gracious and collaborative and we think that we are addressing any of the logistical stuff that would be disrupted otherwise. So, we are feeling pretty good about that coordination. So, a hundred public parking stalls accessed. It's in a garage, it's not the same as the street, but it's pretty easy as far as garages go. So, summary, we expanded the retail commercial on the ground floor. We added the urban public open space at the northwest corner. Provided those hundred public parking stalls. Shifted the vehicle access and the loading from 3rd to Broadway. Got that loading internal to the project. And reduced the height on the east side, with the courtyard buildings stepped down, planting and landscape in additional. All right. Next steps and, then, we want to hear your feedback. So, we have another public workshop coming up. More stakeholder meetings. Chamber of Commerce. We are going to touch base with them again and, then, we will be back in front of you all in a week. So, a lot going on. And, then, we will be in front -- in front of the MDC board the next day and, then, hopefully, we have a public open house to share out and talk about timing in June and, then, of course, the all important hearing for land disposition approval for you all sometime in maybe June, probably July of '22. So, back to you.

Simison: Thank you. Council, questions?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. There is a couple of items from the last presentation that I have questions about, but, first, I wanted to say been really looking forward to seeing this on paper and I'm excited for this to be added to our downtown. So, we had discussed in the last hearing about making some of the units affordable and -- and whether you would be keeping everything at market rate, specifically in regard to micro units and the studios. I understand that some of the downtown Boise new construction has had some challenges in leasing their micro units, so I'm wondering if you are anticipating that and what your pricing will be. When you had presented originally I think you had said you were going to start at 1,200, but hadn't identified what units that would apply to and, then, we had talked about the number of parking stalls per unit and I think you had had presented that it would be at one per unit. So, could you go over those two items for us?

McGraw: Just to clarify. First question was based off our presentation there was discussion on a -- on the potential for workforce housing or -- or an affordable component.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

McGraw: Just clarify the question. Sorry.

Perreault: I didn't get the impression that -- that that's what you were presenting. I got the impression that you were presenting there would be some affordability, not so much workforce housing. I didn't know that that -- that there was an intent to specifically make it workforce, but we did have a conversation about the affordability of the units in relation to -- in relationship to not only the Treasure Valley area, but similar projects around the country.

McGraw: Understood. I guess that's why I -- clarify. So, what we are presenting on today is -- while we don't and haven't fully vetted out the unit sizes, we are -- we have a range; right? Between studios, juniors -- and that studio could be a potential micro. But we will just say studios, juniors, which is kind of an in between between the studios and micros. A one and two. That's -- that's where -- two bedroom. And so that's what we have been assuming today. Now, you mentioned a couple of things in there about pricing and I would love to give you an answer on that. We are all kind of sitting back here wondering what's going on. We are running into -- you know, I -- I get into the same thing that you are -- you can hear from everybody. But there is challenges, just widespread challenges between interest rates, the access to materials just in and of itself. Timing. All of that. So, it's hard to say are we going to run into issues. The answer is definitely. I just don't know what. I wish I did. So, our goal is to put together a really strong team and, then,

we do the best research that we can. We have a very large team, which allows us to have more historical data from across the nation from past projects. Also gives us access to other relationships that we can access more materials and everything. So, that helps us out. This is a market rate project, mainly because of our economy. We are trying to make the project work and we believe just as strongly as we presented last time that we can make this project work. So, the second question -- what's the second question? Parking. Oh. One per unit. Yes, it is fully -- I mean not -- how we have designed this project from a philosophical standpoint, but also from metric standpoint, conforms with the CZC ordinance, which is I believe today one per -- one stall per unit. Is that -- am I saying that correctly?

Sindell: We meet -- we meet code and we will be at one to one or better.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Thank you. I appreciate that. I -- I wasn't sure if the design for the -- for each floor for the residential was set or if that was -- there is still a possibility that that might move around or the number of units might move around, that's why I asked about the micro and the studio. Is there any anticipation that the residents will utilize the public parking and that public park -- parking option might not be as robust with a hundred spaces?

McGraw: Parking -- parking management is an issue and -- if it's surface parked or if it's a structure. The structure especially. If there is a parking -- a public parking component, yes, there is a management challenge. So, all of our projects we have to manage that and part of that will be making sure that residents don't have additional cars that they are just storing or they are not being parked overnight. We haven't fully set the rules, but we will have someone on staff on site to cover that.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Thank you. Just wanted to give some feedback. I'm very encouraged by the new design. I think it's going to be a great fit for Meridian. I understand there are some twists and turns and there will no doubt be more along the way, but I -- I do really like the design and I guess I like how thoughtful you were about flipping where the courtyard faces, the shadow study. I can tell you are putting a lot of thought as you are getting the community feedback and I just wanted to say I so appreciate that. I think that's really important to help this fit and -- and so I just wanted to give that feedback so far. I think this is tracking well from my perspective. Thanks.

McGraw: Thank you.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: John, Mark and Gary -- right? Appreciate the presentation and I also wanted to -- maybe on the -- the public engagement side I think -- hearing from our citizens, working with the Chamber, helps me get a good sense as kind of what's on our community's hearts and minds. A couple things I just -- I want to touch on that I really appreciated your focus on the -- on the public parking side. The building orientation and something, Mark, I think you talked about, which is about helping to create some good identity for downtown Meridian and I appreciate that. A couple of questions, though, for you and -- and if -- maybe it's easier if you want to pull up Slide 33, because this is where I did have a little bit of a -- of a head scratcher. I think -- you are right there. Yep. Right there. So, John -- or, Mark, I think in your presentation you talked a little bit about -- we have got 19,638 square feet of open space right now currently in Centennial Park and I don't want to put words in your mouth. You made it sound like that with this proposed concept that we are gaining 72,400 square feet and I notice you are -- you are taking 26,600 square feet of the -- the festival street -- not quite sure I wrap my head around that that's necessarily open space, but, then, I also looked and I see this, you know, Union 93 project with 44,000 square feet and that's -- that's separate from -- from this project and, really, then, we -- what we are left with is -- is 1,800 square feet and I guess I just want to give you a chance -- I know you are certainly not saying that we really are gaining 72,000 square feet from this project, we are -- we are really losing a lot, but I guess I wanted to give you a chance to maybe clarify on that before I had a couple other questions for you.

Sindell: Yeah. It's -- it's certainly not an apples to apples; right? So, we are trying to activate downtown. We are building out the block. We have this strong presence and all those things. And so certainly we are not replacing 20,000 square feet of lawn and trees -- open space 20,000 square feet of lawn and trees and open space. This is a conversion to a nuanced, more urban situation. So, you know, right or wrong, we are thinking that when you look at that, if we can look at how we work with all these pieces together and we think -- and, of course, we are bias. I got to design it, but the -- the urban open space for Union 93 has not been significant and we tried really hard to think about both of these blocks and how we conceded that. If you combine that with the festival street and what we are doing with that urban plaza in that linear piece that comes through, collectively we think that that's a pretty strong, active urban programmed open space that will be high quality. So, it's very different than what's there now. Of course, this -- development of this site and what's across the street downtown is very different. It's been -- what's there now. So, by no means are we saying that it's apples and apples. It's a very different thing and -- and, obviously, the street, when it's shut down for events on weekends and for seasonal events, it's going to feel like a big plaza, but, of course, during the day, 9:00 to 5:00, if it remains open for business hours, it's a street. So, yeah, your -- your observation is absolutely correct. So, we think it's a really nice evolution of a nuanced and integrated multi-block approach to creating a vibrant downtown. But it's -- it's -- it's a jump mentally, right, from what you have there now.

Cavener: Mr. Mayor, a couple follow up if I may.

Simison: Councilman Cavener.

Cavener: Mark or whoever, can you pull up maybe -- I think it's Slide No. 18 that kind of shows our vicinity and the kind of services that are in or around I think within a quarter mile.

Sindell: Bear with me, I think --

Cavener: I'm having -- moving you all over the presentation. I --

Sindell: That's great. That's the intent.

Cavener: Right there.

Sindell: I'm sorry.

Cavener: That's okay.

Sindell: So, this one or this one?

Cavener: That one right there.

Sindell: Okay.

Cavener: Because when -- when I saw this slide I was a little concerned, because what I noticed there is number four you have identified as public space and unless I'm incorrect, which is often the case, I think that is, you know, gym space or outdoor field space that's owned by a private school, it's not available to the public. Our citizens can't choose to recreate on that and so I don't know if that was just a -- a typo or if maybe you know something more that we don't about that being public space available to the public.

Sindell: I certainly don't know more than you do, so we will go with what you are saying.

Cavener: So, I guess that kind of brings me back to what my concern is and I guess I would be curious, because you did such a good job of engaging the public, the way that I look at this right now is that our -- our downtown residents currently have 20,000 square feet of -- of outdoor usable recreation space that allows for volleyball, there is an interactive play structure, we have restrooms there, community theater performs there. It's used. And what I'm seeing now is really 1,800 square feet and I understand that for your intent you are classifying the -- the festival street as part of that. We may have to agree to disagree on that. I struggle, though, also, then, with grouping in the -- the Union 93 as part of the open space and I guess the crux of all of this -- and this is where I'm -- I'm a little challenged on this project -- is I'm going to have a really hard time looking at our downtown residents who enjoy that park space and tell them that they are getting a

win out of this. So, as one who has engaged the public, help me understand how our downtown residents are going to win by this project.

Sindell: Yeah. Well, there is no doubt that if you are putting an activating building on most of the site with housing and retail, that you are -- you are replacing at an open space in your downtown; right? I mean there is no way around it. That's exactly what's happening. So, it's a trade off. And so I wouldn't want to go to someone and say if you like a more pastoral park like open space that this is going to make you happy, no, it's an active urban building unit downtown. So, yeah, it's -- it's an evolution into something different for sure. You can't -- the city is big enough to have both I guess, but -- yeah. So, that's where I -- I think if I was in your shoes I would feel confident saying that when you look at the site now and you look at that open space and what you have and when you look at the -- what the sites offer you and the streets and, then, you fast forward to what you are getting, that as far as vibrant urban downtown that has walkability, livability, access to a mix of urban open spaces, this is -- this is pretty darn good when you compare it to some similar examples that are pretty successful. But it's certainly a densification overall, no doubt about it.

Cavener: Mr. Mayor, if I may.

Simison: Councilman Cavener.

Cavener: I don't disagree with you on -- on the density piece and I think that, if anything, creates more opportunity. I recognize that I kind of asked a hard question and I didn't quite expect you to give me an answer, but I -- I have talked to some residents in downtown and -- and I will just -- I will share with you a comment that I heard over the weekend that has really resonated with me, which is that Meridian downtown residents are losing their park, so that apartments with a pool and the hot tub can be built and I think our downtown residents deserve better than that. I know that you want to do better than that and so, please, don't have this be a shooting the messenger, it's just that it puts me in a hard spot when I talk to our downtown residents about what they want and they feel like that maybe they are not getting what they have had, that they are losing in this and I don't want our downtown residents to lose from this project, I want our downtown residents to win. So, just food for thought when you come back to us that's the mindset I'm going to be doing is looking at it from our downtown residents and trying to understand how they are going to win from this project.

Sindell: Appreciate that.

Simison: Council, any additional questions? Councilman Hoaglund.

Hoaglund: Mr. Mayor. And it's -- it's not a question, it's just -- just appreciate the effort that's gone forth by -- by this team. I have been privileged to be part of the meetings that we have every other week early morning and discussing the project, discussing the challenges and how they are going about things here and -- and they are -- they are doing an excellent job, they have -- they have listened to a lot of people. They have made

design changes. More details will come and I asked them -- I said, you know, keep it high level, because there is -- you can't have the whole project here. We don't know all the details yet and that's still moving forward, but the changes for the entrance and exit for Idaho and Broadway I think takes pressure off 3rd Street, listening to the -- to the residents there. Councilman Cavener, he is our Council consciousness on that part and I think that's incumbent upon the city that -- to be looking for open space downtown and how we find that and how our Parks Department can help mitigate that to some degree, because we are doing something different. It is going to an urban setting and we are losing open space. So, what do we do and how do we do that and what does that look like, because I think that is something that is our responsibility. So, I appreciate the effort that the River Caddis and their team has put forth and I think I -- I know I'm excited about it and there is going to be more challenges ahead. There is always things -- there are issues that come up and we will -- we will just keep plowing ahead and we will get them resolved, so -- and will just keep moving forward. Thank you, guys.

Perreault: Mr. Mayor?

Simison: Councilman Perreault.

Perreault: Just one more question. I'm curious about the response from the last workshop and there was about 40 you said. What's been your efforts to bring folks in and -- and do you anticipate about the same amount of people in the next workshop? Would like to see more if possible, given the importance of the project.

Sindell: Yeah. I think we had this survey, which was 40 respondents. I think the workshop we probably had probably 20 or so. So, we are with you. It's always -- you know, we were -- we got a fair amount of this over the last couple years. We are pretty satisfied that there was enough of a sampling, but we always want more, as I said. So, what we did this time is we really noticed it in advance. The first one we were just starting everything and so we gave the notice and met all the requirements, but this one we actually sent out a couple of weeks in advance to try to get a bigger testing area and, then, we also think that by meeting with the stakeholders, having the first one, meeting with the Chamber, that we got the word out a lot more. So, hopefully, to your point to get a bigger response and get to build on what we have so far. That will be important on this one, because we showed a lot of the diagram stuff and, then, incorporated the feedback into what we did, but now we have got real stuff to show for folks to understand, so we think it will -- it will speed up ability to digest and put input -- give input. So, if you have any other ideas for getting the word out let us know, but we think between the Chamber, noticing it a little bit more and being a little bit more mystery in the process, you know, if you get a bigger turnout. The weather is getting nicer I think. I can't judge by the last couple days, but that should help, too.

Simison: All right. Well, thank you very much. Appreciate your presentation and update and look forward to working with you on this project.

Sindell: Thank you.

16. Finance Department: Impact Fee Study Training

Simison: So, with that we will move on to Item 16, our Finance Department impact fee study training. Turn this over to Mr. Lavoie.

Lavoie: Thank you, Mayor, Members of the Council. Again we appreciate the opportunity to present to you the Impact Fee 101 presentation. We have our consultant, who we engaged with to assist the City of Meridian to facilitate our impact fee study, which we do about every four to five years. The last time we presented to you and the citizens an impact fee study was in 2018. So, this is a timely report for us to begin the impact fee study. We are going to have Dwayne Guthrie, our consultant, jump online here and lead the presentation. The goal of this presentation is to give you a general understanding of what the impact fees -- I guess the state statutes represent and what Dwayne will be conducting with the City of Meridian over the next four months. Again, Dwayne will be working with the impact fee advisory committee. I will be administering the meetings between our consultant Dwayne and the Impact Fee Advisory Committee individuals and through the next three to four months we will be working together to develop an impact fee study to present to you and the Council -- I mean to you and the citizens for acceptance. So, at this time I would like to introduce you to Dwayne Guthrie. He is our consultant. He actually put together our last study in 2018. Some of you might remember him. But with that I will hand it over to Dwayne. Again, I will be here for any questions. Dwayne, it's all yours.

Guthrie: Good afternoon, Council. Just want to check. Are you hearing me okay?

Simison: Yes, sir.

Guthrie: Okay. And are you seeing my screen that says City of Meridian slides?

Simison: Yes, we are.

Guthrie: Perfect. Okay. Well, this is what we are going to go over. We are going to go through a quick presentation. I don't want to just talk the whole time, I would like it to be more of a dialogue, so I'm going to go through some -- kind of up slides right up front and talk about the revenue, strategies, financial monetary aspects of what we will be doing and kind of get your attention that way, because most everybody's always interested in those kind of tough decisions. Then we will go into more of the Impact Fee 101 background information on the impact fee just to make sure everybody is kind of on the same page, because some of you might be new to the process and it's also -- we have new staff and new committee members and things like that. So, we will go over those and touch on legal requirements, but, hopefully, we can get through this in about 30 minutes, but we want to have plenty of dialogue. So, talk -- ask questions as we go. So, what we are kind of wrestling with is just like we all acknowledge that we have on-site cost for building materials, labor, and things like that. We also have off-site costs to -- to provide infrastructure necessary to accommodate new development. So, that's a real cost and we have to figure out how we are going to pay for it. So, basically, we can kind

of walk through this decision tree to kind of give you an idea of how we are going to fund growth or pay for the cost of growth. So, now I'm going down the -- this action towards the left side of my diagram. Impact fees are a common solution. You already have them. This is just an update. So, you are already -- the builders and the developers and staff are already familiar with the process, but it is basically something that you can say we are just going to, you know, basically try to adopt the maximum support and if you go down that path it's more of the kind of philosophical kind of label that gets put on that and saying growth pays it's way. That's not necessarily the best tested track or the -- the appropriate track for the time and that's what we got, why you guys are faced with the decisions on this process. So, we can also, you know, think about, well, what are our other options. So, you can adopt impact fees that are less than the maximum amount and if you do that, basically, you know, two options, you can somehow say our levels of service are fine now, we are going to accept the way they are and we are going to use our delay on the use project or perhaps we are going to go with lower cost factors to kind of reduce our costs and cut -- make our fees a little less. So, there are some options down that path. Or you could say let's maintain our current level of service and basically pay for that growth from some other way. So, that would be --

Strader: Mr. Mayor?

Guthrie: -- basically saying you are going to subsidize. It's kind of a valuating term, but that's basically saying you are going to accommodate growth by either finding some other revenues for us. So, we are not doing impact fees for water and sewer. So, utilities rates aren't really an option. So, in your case we are doing public safety, police, and fire and parks, so, basically, looking at general fund types of options if we don't want to adopt the maximum fees and we want to maintain our existing levels of service. So, that would mean you have to find, you know, bonds or --

Simison: Mr. Guthrie?

Guthrie: -- pay for those out of sales tax or property tax or those kind of things. So, that's kind of the basic decisions. Any questions on those before I move on?

Simison: Yeah. Mr. Guthrie. Council Woman Strader.

Strader: Thank you, Mr. Mayor. I apologize, Mr. Guthrie, I didn't want to get you off track. I was hoping maybe Todd could just -- or -- or you, Mr. Mayor, or whoever -- whoever put this item on the agenda, could just level set us as to the purpose of this on the agenda. Is it to educate Council about impact fees? Is it because we feel there is a specific issue coming that we need to be aware of? Help me understand where this is coming from, the purpose of it.

Simison: Mr. Lavoie.

Lavoie: Mr. Mayor, Council Woman Strader, to answer -- great question. This is Impact Fee 101, opportunity to inform you, Council, and anybody watching, part of our impact

fees study on -- when we do this every four years is to, phase one, educate our individuals who are going to be presenting this impact study to. So, this is our very first step in the process is, hey, this is impact fees, this is what it is, this is 101, please let us know. You will be hearing more and more and more about impact fees over the next four months from myself or the impact fee committee, but this is high level. This is what impact fees are. This is what we do every four years. So, informational purposes only. No decision at this time. Just trying to educate and inform anybody who wishes to learn more about impact fees. Thank you.

Simison: There will be a decision at some point in time.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Totally. Just for some feedback. I mean I -- I love the information and having the educational sessions. I also want our time to be as effective as possible and I think if we feel that the Council has been on Council long enough and we get grounded in the background, perhaps these types of things could become an appendix. Just some feedback, you know, going forward. You know, just because we have so little time and I would just like to be level set personally in the purpose of each of the agenda items. So, that helps me as I'm listening to keep in mind are we making a decision at the end of this? Is this really because we are doing an impact fee study and this is a heads up, get your mind in impact fee mode or kind of what the purpose is. Thanks.

Guthrie: So, one big picture to clarify. It's about a three month process. So, over the course of the summer we will be doing our work and coming back to you. So, you will be hearing from us soon. But it -- that's, basically, just the start of the process and it is required by state law that you do periodic updates. You can't just adopt the fees and, then, you know, sit down on them for 20 years. You have to keep them up to date. So, there are, you know, different funding options that we talked about and there is, unfortunately, some conflicting or competing interests that we would like it -- there to be a nice strong connection -- rational nexus or connection between the people creating the demand for service and those paying the fees. So, you know, think of special assessments, you could get -- do a special assessment just to improve -- pave the dirt road to give paved access to property owners along that -- that area. So, you know, that's a direct connection. Obviously, those benefiting or are paying the amount. Unfortunately, as we think about what happens with our different funding options, is that -- if you look at it from this perspective on the right side of the diagram, that means that you have a very small revenue base trying to pay those costs. So, politically, what happens we tend to kind of push things through a broader revenue base to make it easier and spread the pain out over more folks. So, that's, you know, kind of like trying to find the right balance here between impact fees, which are, you know, nice tight connection between new development and the amount that they are asked to pay versus realization that, basically, you have already got 80 or 90 percent of the folks that are in Meridian are the same people that are going to be here, you know, five or ten years out. So, what we add every

year to that base is relatively small and those are folks paying the impact fees. So, I'm -- I appreciate what you were saying about wanting to maximize your time. So, I think I will speed it up a little bit. So, here is the kind of like boilerplate answers for why communities do impact fees. Since you already have them you have wrestled with this already. But it -- you know, basically, it's a way to maintain your level of service for residents and businesses. It helps to minimize the need for broad based revenues, which are hard to come up with. Current residents don't want to subsidize growth and it provides a predictable funding system shared by all new development. So, every -- all developers get to kind of put the mouse in their performance, figure out and make sure the numbers work and they are, you know, not being caught by surprise as to what the expected cost is going to be. So, here on the bottom right are the way the fees are set up today. So, some of the input we will be asking for. For example, we do fees now by size of the unit. So, we will be asking, you know, do we need to fine tune some of these size thresholds or consolidate them or expand the range. Those are the kind of things that we will be looking at this time around and we are always, you know, realizing that impact fees do add to the cost of housing. In your case it's probably relatively minor, probably more like one to two percent of the cost of the unit. But in a healthy market just wanted to kind of remind everybody it's not usually or normally the developers that are paying the impact fees, those are passed on to the end users, the people that either buy the units or rent or the businesses that move into those properties. So, in a healthy market it's usually not the developers, it's passed through the -- to the end users. Any questions on those before we go on?

Simison: No questions yet.

Guthrie: Okay. So, here is kind of the fundamentals. I'm going to go through these fast. So, impact fees fund the growth share of public facilities needed to serve the development. It is a one time fee, it's not an ongoing -- like a utility user charge would be. It's just one time right up front connected to the building permit activity and it can't be used for any operations, maintenance, or replacement costs. So, like when it comes to police, you know, 90 something percent of their budget is operating costs and very small part is actual growth related capital and you will see that as we go through the fee update that the police impact fee are the relatively -- the smallest of the three that you are currently adopt -- imposing. Here is the basic method and what we have to always consider when we do impact fees is also the idea of credits or avoiding any kind of potential double payment. So, we can -- when we actually do the cost side we can consider what you have already done in the community that might be oversized or you are paying off debt on those kind of things. We call that a cost recovery component. Most of the fees will document our current level of service. More of a snapshot kind of approach and that's what we call the incremental expansion method. We are saying here is the increment that, you know, so many acres of park land or so many square feet of building. Those are standards and want to maintain those standards over time. And, then, we could have a plan based method where we just identify projects and, then, we allocate the cost to existing and new development and -- and do the fees that way and we can mix and match the methods for these particular type of impact fee. It doesn't have to be all the same methods for every type of infrastructure or even within a type of infrastructure

you could have a cost recovery component and a plan based component. Those are all possibilities. So, the math is real simple. It's just basic algebra and what we -- our charge is kind of document all the numbers, so people can actually take out their calculator and multiply the numbers and -- and see exactly how the fees come up with. That's a requirement. State law. You have to basically show your work and so -- but the three general steps are figuring out the number of the man units, the service units per unit. So, in the case of a park fee that would be persons per house and, then, we have level of service standards, things like acres per thousand people. Square feet of recreation building per person, that type of thing. And, then, we have a cost factor. So, those are the things we are going to be asking staff to help us update and especially the cost factors are a big deal now because of inflation. Your -- your costs have risen dramatically over the last few years. So, here are some of the legal requirements. People will say the impact fees are a tax, but legally they are not. It's a fee for service, almost like a contractual kind of a concept where the city is taking the money and basically promising to provide the -- the capital improvements that are identified in the capital facilities plan. So, it is a fee. It's based on your police power and there are three key legal requirements. You have to be able to show that there is a need for the infrastructure, that new development is going to benefit from the fees that they are paying, and we have to make sure that the fees are proportionate. So, that's one of the reasons, for instance, we are doing the residential fees by house size, because you have fewer people per unit and they are really small units, like a studio or a one bedroom unit and, then, the larger units, you know, on average have more people. So, I will talk a little bit about the specifics of the Idaho Development Impact Act in just a few minutes. Here is the -- the possible types of infrastructure that you can include. The ones that we are doing are parks, police, and fire. People have asked about schools. They are really not authorized in Idaho at the moment and one of the other important distinctions in Idaho is you have to have a useful life of ten years or more. So, that's really important for police, because their patrol cars turn over or get worn out very quickly. They usually don't meet that useful life requirement of ten years and so for police it's really doing just impact fees for building. Here is the -- kind of the process that we are going to be going through. We are going to establish an advisory committee. That's a requirement in Idaho. We have to look at our -- our -- actually document our land use assumptions, what we are expecting to happen over the next five to ten years. It has to be adopted by ordinance and we have to set up implement -- and we have implementation requirements, like in the report and, then, expenditure of time frame limits. Again, you can't just collect the money and sit on it, you have to spend the dollar -- the dollars within a certain amount of time and make sure new development benefits. Here is a couple more requirements in Idaho. You have to have actual costs or reasonable estimates, which is a little hard to do these days with the cost changing so quickly. But we will definitely look at those. We have to have the same standards for existing and new development. That's a requirement in Idaho. Not every state requires that. We have to consider service areas. I think there is a relatively small geographic area, compact, so we will probably just continue to have citywide impact fees and, then, we have to have a reasonable fair formula to show what -- how the fee is proportionate and we also have to have some variation in not only residential and nonresidential within a breakdown on the nonresidential that says, you know, we have commercial fees and, then, in your case it's everything else. So, agricultural, industrial, office, all those other

categories that are types of different types of land use, excuse me, are lumped together. As far as the process, we will have several work sessions, and meetings with the advisory committee to gain their input along the way. You have to actually adopt the capital improvements plan and in your case you call it a capital facilities plan and, then, your code and your state law requires an update at least every five years. We are actually a little ahead of schedule here, but I think part of the reason is that your development has been -- or happening quickly -- more quickly than we expected and also costs have been going up. So, last couple slides. Idaho Capital Improvements Plan, like I said, we are documenting our land use assumptions, updating the demographics as -- like service units, people per housing unit, that type of thing. We will have to, you know, basically go through all these other requirements that are in the state law and talk about -- basically come up with a financially feasible funding plan. So, we will identify what impact fees are going to pay for and if we have to have all the revenues we will also be able to make sure we can come up with those things.

Strader: Mr. Mayor?

Guthrie: And, then, what do we expect from --

Simison: Mr. Guthrie, one second --

Guthrie: -- public --

Simison: Mr. Guthrie, one second.

Guthrie: Sure.

Simison: Council Woman Strader.

Strader: Thank you. I think you wanted to be interactive.

Guthrie: Sure.

Strader: So, I just have a quick question. If this would include the possible -- the possibility of future impact fees for Public Works and studying those. I think that might be a question for Director McVey.

Simison: Mr. Lavoie, I will let you take that one.

Lavoie: Mayor, Council Woman Strader, this particular study will only be focusing on parks, fire, and police. If there is any future discussions on expanding impact fees in the City of Meridian to other utilities, your example for Public Works, I think that's a different discussion we are happy to have with you at a different time, but this particular study for this one is parks, fire, and police only.

Strader: Yeah. I was just asking the question -- economies of scale; right? So, if we are studying all these other impact fees, if we want to fold those into -- it's only because I had a recent conversation about that, but thank you.

Guthrie: Well, back on this slide, the -- the bullet points over here on -- show the possibilities. So, water, wastewater, roads and stormwater, those might fall under that Public Works umbrella. We are doing the ones at the bottom. Just so you will know. So, basically, this is a collaborative process. Where we are trying to get everyone to agree that we have these costs. We are trying to figure out how to pay for those costs. So, it's a process of identifying and prioritizing improvements. We will try to, you know, basically give you a heads up on planned improvements over the next five years. We want to be realistic about our costs and -- and allocating that cost and between new -- existing development and new development and, then, making sure that the fees are tailored to, you know, things that are specific and important to Meridian. So, that's -- all that is where you guys become involved and the advisory committee and general public will be given the opportunities for everyone to participate along the way. So, it's a matter of building consensus, trying to engage everyone, having additional work sessions with you guys, making sure the management team and department heads and the staff are all working together, because there is -- you know, it is a part -- a process where we don't want it to come across like a zero sum -- sum game where one department is winning, another is losing, that type of thing. We also want to monitor the cumulative fees and make sure that -- because when it comes time to approve them, usually the elected officials are very concerned about how Meridian compares to your neighbors or other communities that you might want to, you know, compare yourselves to. So, we will be asking you guys to identify specific communities that you would like to know the fees on and we will do some comparison tables, so you will have those. So, here is the supporting documentation. This is, you know, my job to basically make sure that everything is legally defensible and we go through all the steps that is required by the state law and, then, basically, for the departments we are asking everybody to -- basically to provide this type of information about infrastructure they currently have. We have to measure things, make it quantitative, and, then, big fact -- big process of trying to figure out the current cost for service unit or for infrastructure unit and, then, identifying the planned improvements over the next five to ten years. So, that's the main focus from the department. So, that's, basically, the overview. Be glad to go back to any slide that you want and answer any additional questions.

Simison: Thank you, Mr. Guthrie. Council, any questions for Mr. Guthrie, for Todd? Or anybody else at this time?

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Question for either Todd or Mr. Guthrie. Since we have last completed a -- an impact fee study, the city has added a couple of assets in the golf course and -- or a park. We are managing the pool. How does the addition of those that weren't -- we didn't pay

for impact fees to, obviously, develop them, we absorbed them. How does that impact -- impact our impact fees moving forward for parks?

Guthrie: Yeah. We will -- we will evaluate that this time around, look at the possibility of adding other cost components, making sure that, you know, that -- figure out the bigger cost picture of those kind of things and whether they are enterprise operations or not, like on a golf course a lot of times all of those are paid for by fees and that type of thing. So, that's all part of the update process. So, we will be going through that and talking to staff and trying to give you guys a -- a good recommendation on those new facilities.

Simison: Council, anything else? All right. Thank you, Mr. Guthrie. Thank you, Todd. Appreciate the update. We look forward to much more conversation in the coming months.

Guthrie: Thank you.

Simison: Okay. Then we will go ahead and try to move on to Item 17, which was --

Borton: Mr. Mayor? I apologize.

Simison: Councilman Borton.

Borton: A question came up that I forgot. And if you said it I forgot that, too. What's the -- what's the ballpark timeline, like working backwards, everything goes smooth before the Council. Is the new impact fees based on the new study in the month of blank.

Lavoie: Mr. Mayor, Mr. Borton, we are shooting for three to four months, so that would put -- we are in May now, so that puts us in September.

Borton: Perfect. All right. Thank you.

17. Fire Station No. 7 & No. 8 and North Police Precinct Bid & Guaranteed Maximum Price Presentation by Engineered Structures, Inc.

Simison: So, Item 17, Fire Station No. 7 and 8 and North Precinct bid and guaranteed maximum price presentation by ESI and it looks like the chief is the one who is going to join us. Which is different than was on paper, but --

Basterrechea: I will start.

Simison: Quite all right.

Basterrechea: Hopefully you have the numbers there before you, but after going through the bid packages and doing -- you don't have the numbers? No. That's okay. So, after going through our bid packages and, then, doing the value engineering, we have -- we have come back with pretty high overages, obviously outside of what we had initially

looked at for the facilities that were approved in FY-2022. So, basically, at the end of tonight's discussion we are looking -- looking for some direction on -- on where you would like us to go from here. It's important that we have a direction, because these bids expire on May 19th. We are on a very short timeline. There is some discussion -- one thing I will point out as far as the north precinct, you will notice that our numbers are slightly higher than Fire's original budget number. That's because our design fees were actually in this budget and Fire's were separated out of this at that time. So, with that I will stand for any questions or I can turn it over to ESI.

Simison: Council, would you like to hear from ESI with more details?

Basterrechea: I probably don't have the answers you want, so --

Bernt: I don't think your boss likes you very much.

Martz: Comes with the job. Mr. Mayor, Council Members, thank you for having us again. Here to field any questions you may have on the bid results.

Perreault: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I have a few, if I can ask them. Thank you. So, let's assume -- let's just assume that we did move forward if we were to do that. How is the GMP structured? What's your contingency that's built into that? Is there any chance of a cost overrun. In this inflationary environment have you built that into your own bid? I just want to make sure, because it feels like, understandably in this environment, it's been kind of a moving target.

Martz: Yeah. Excellent question. So, obviously, we are in an unprecedented time of inflation. Working with the city throughout the last couple weeks, you know, we typically carry a construction contingency in these projects. Typically ownership carries an owner contingency as well. We have adjusted those contingencies to help protect this project against any possible future escalation impacts that occur.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: So, to get more specific, so I would like to know what the owner's contingency -- contingency are and I also would like to understand what percentage of the costs you expect to buy out at different times. Like what percentage of hard costs you expect to have bought out within six months, for example. I just want to understand if you are trying to lock those costs in and how you -- where you are at with those discussions.

Martz: So, I can speak to the construction contingency side. We are just over three percent of the construction costs for contingency. As far as procurement of

subcontractors and materials, the beauty of the bid packet process is that we have already written their scope exhibits. So, as soon as we are provided a notice to proceed we can, then, go forward in getting our subcontractors -- subcontractors a notice to proceed as well to start getting them signed up, as well as releasing them to procure materials early and, then, working with them on storage of said materials, getting the project going to avoid any future escalation impacts to them.

Strader: Just to understand, is that three percent of total cost or three percent of hard cost or --

Martz: So, of the -- of the GMP value -- and -- and we can follow up with a more exact number. It's just over three percent.

Strader: Of the total cost?

Martz: Of the ESI GMP line item, the 20,622,000.

Strader: Got it. Okay. I'm just reflecting, because it -- that does feel like a very small number to me than I would expect. What time frame do you expect to happen from the time that this contract is executed and you are -- let's say 75 percent of your costs are bought out with your subs, how long will that be?

Martz: I will ask Ben to come up.

Belt: Yeah. Good afternoon. I'm Ben Belt, ESI. To answer your question, payment terms are in the contract that we have executed. The process is generally as work gets completed we submit a bill on about the end of the month and, then, the -- the city pays 30 days later, in which case we pay our subs.

Strader: Sorry. And it's just been a while since we have talked about that contract, so help me just understand -- so was that contract not fully executed or are you within a time frame within that contract for the cost to be adjusted? Help me understand how contractually we are having this conversation.

Belt: Yeah. So, the general terms of the contract are already executed and now this would be an amendment to the contract that brings in the construction cost and the GMP.

Strader: So, we didn't have those specified previously, it was a general contract with -- you were going through the bidding process with your subs, now you're locking in the cost exactly.

Martz: That's right.

Strader: Okay. That's helpful.

Simison: Council, additional questions for ESI? Councilman Borton.

Borton: So, describe the delta between Station 7 and 8, 700,000 dollar difference.

Martz: So, Station 7 is located on the south site, due to the fact that we proceeded with just a fire station standalone on that site. They are incurring additional costs of having to work on and develop that site. Really, the big difference is the shared costs that you're seeing distributed between eight and north precinct. So, that's all the utility costs, the development costs, so we are having to landscape the other half of the site on the south site and, then, a few other shared costs, like trash enclosure, generators, generator enclosure.

Borton: I don't get it necessarily. I apologize.

Martz: So -- so, the site development --

Borton: I get it, but -- but that's 700,000 dollars?

Martz: Yeah. That's the way it's shaking out is -- there is a large portion of that site that has to be developed and when I say developed I mean not left as a dirt lot for weeds to grow on and so we are having to landscape that out, put in irrigation and develop that as well.

Belt: So, paving, utilities, everything that goes along with building in a green field. Right.

Borton: So, the north precinct cost would have been 700,000 dollars higher, but it's -- than it otherwise would be?

Belt: Yeah. So, it's sharing those costs with the Fire Station 8. The site development portion.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: So, none of that -- none of the difference is the buildings itself.

Martz: The buildings themselves are designed the exact same.

Borton: Another question from your comment about value engineering.

Martz: Uh-huh.

Borton: Can you share with us what the figures were most recently -- the dollar figure that was reduced by value engineering and, then, specifically what was changed in each building to create that savings?

Martz: Yep. So, for the recent effort and working through post-bid efforts we were able to bring out about 209,000 dollars worth of VE opportunity and when I say VE I don't mean scope of production. It's purely analyzing what can we do to change alternative products, you know, looking at building systems, what's there, is it needed, what's an alternative system to that. Specifically metal panel systems, roofing systems, you know, alternative manufacturers for different specialties, wall coverings, painting, manufacturers, really trying to keep the quality of the facility the same, but identify other opportunities to save cost by simply opening the spec up.

Borton: So, would you -- you would be able to produce -- I mean this is a summary spreadsheet, but last time if you were here we saw the full bid package. It had four or five blanks. You were waiting for -- or missing bids.

Martz: Correct.

Borton: You would be able to show that with the full complete bids with everybody --

Martz: Uh-huh.

Borton: -- and, then, show the updated one that's 209,000 dollars less? Is that 209 spread amongst all three --

Martz: That is correct. Yeah. Between Fire Station 7, 8 and the police precinct and with that we are still, obviously, working through that process with the trade partners, trying to identify areas that we can incur cost savings without reducing quality or scope.

Borton: How much -- how much per each of the three? How was that 209 allocated?

Martz: I don't know that off the top of my head. I apologize. But we can certainly follow up with that information.

Borton: Part of the concern amongst cost is trying to avoid value engineering if it degrades the quality of what ultimately we want. We don't want to cut anything short that's necessary for these projects to be successful and --

Martz: Agree. Yeah. That's -- that was our intent going into it and just being open and honest with the project team as we were trying to share the information of those options and we are going to continue, like I said, moving forward. We are trying to find additional areas of opportunities.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: What -- how long ago did you guys find out about these cost overages? Within a couple of days. A couple weeks? When did you know?

Martz: So, day of bid for each -- we split the project into two different bids. First half of the bid was on May 19th -- or sorry. Not May 19th. March 21st. And second bid was April 19th. Or sorry. Yeah. April 19th.

Cavener: March 21st and April 19th?

Martz: Right.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Not a question for you, but for somebody. I just -- I'm curious as to why we are just now learning about this now. And that's not necessarily a question that you will be able to answer, but it's one that I -- I would like to know if -- I have been hearing for a while rumors about things being -- costing more than what we thought and I got to admit I'm a little frustrated that we are now being presented this with a very short timeline to make a decision. Again, not anything you guys caused, but I'm hoping someone will be able to give me an answer as to why it took so long for us to be informed of this.

Simison: Part of it was presented -- that March information was presented to Council. So, it's really the stuff that came in on April 19th for the police station and the ones that were not -- that we did not receive bids for.

Freitag: So, Mr. Mayor, Members of Council, the information regarding the cost overages were presented at the very next available opportunity after the bids were opened. So, there wasn't a lot of time that really transpired between those two events, to answer that question. Maybe just to clarify one other point, too. On your question, Councilman Borton, there are some additional costs with Station 7. We have a development agreement with Brighton for a collector road, which was 135,000 dollars. There is some fiber and foam fees associated with that structure as well, which add to that 700,000 dollar difference there, just to kind of clarify that. So, it adds to that delta between what Station 7 and Station 8 are costing.

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: All right. I never -- I don't think I recall hearing that, collector road contribution of 135,000.

Freitag: We have a development agreement with Brighton Corporation. There is a road -- maybe I will let Stacy clarify. She's --

Redman: Those -- those are just estimates at this time, because we do not have the numbers from Brighton CDA. That was building and some costs for that, because we do

have three percent of their CM fee that we are responsible for as a city and we are also responsible for some sidewalk work that will be to the recreation avenue that goes right in front of the -- Fire Station 7.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Just to comment. Disappointed, but not surprised in the sense that, you know, we are in a really inflationary environment and I think part of the rationale, at least in my mind is, I think there -- there is some merit to moving forward to get ahead of continued inflation in this environment. I think what would make decision making easier, though, would be to be really grounded in the numbers and have a little bit more detail on, you know, a more detailed budget, a breakdown of the contingency of the different cost components, understanding the piece that I think Joe Borton was asking about. I have questions about that, too. So, I think just like a lot more granular detail, at least from my perspective, would be really helpful. I think it's hard for a presentation like this when we go into it without background materials, certainly we have a short time frame to make a decision, but I would think that -- that a more detailed breakdown would be very helpful.

Simison: Council, any additional questions for the team at this point in time?

Borton: Mr. Mayor?

Simison: Councilman Borton.

Borton: That detailed sheet that updates what we saw last time, to these numbers is that something that we absolutely have concerns --

Freitag: Absolutely. We have that available and we can -- we can provide you with that. That's not a problem at all.

Borton: Okay.

Simison: Mr. Watts, do we need any action tonight -- or if -- if Alex or anybody else knows. I just know that we were trying to keep things as an option for next week and didn't want to go somewhere if we had to go someplace tonight.

Watts: And I think just -- they stressed before that we will need to bring it back next week for discussion possibly, but, essentially, a budget amendment, followed by that GMP in order to hit the deadline to keep our bids from expiring or ESI's bid from expiring. Once that happens, numbers are off the table, basically.

Simison: What we can do -- we can bring back more details next week, have another conversation, feedback, prior to any budget amendment, but the budget amendment will be prepared -- I think this is viewed as a maximum price. You may or may not recall, last

-- two or three weeks ago when we heard from the county and in there you may have seen Station 7, proposed impact fees to help with Station 7 as part of this process. I know that we are continuing to have conversations with the EMS folks over at Ada county and there could still -- while these are the high numbers, my hope is that we will see some contributions towards the construction costs, but those are ongoing conversations with them at this point in time, but we will also need to involve the commissioners at the appropriate time and that is they are looking to deliver services and utilize facilities that they are hopeful that we will build. So, I would like to think that that will bring down some of those costs, but these are what we considered the maximum numbers for the purposes of next week, regardless of any future value engineering, regardless of any future contributions, that's where we are looking at this point in time, just so we can move forward the project or not. So, we will bring this back again next week with greater detail. We will share the detail in advance and have the team back for more of a conversation. Thank you.

Simison: Councilman --

Hoaglund: Mr. Mayor?

Simison: Yes.

Hoaglund: I move that we adjourn our work session.

Simison: I have a motion to adjourn. All in favor signify by saying aye. Opposed nay? The ayes have it. We are adjourned.

MOTION CARRIED: ALL AYES.

MEETING ADJOURNED AT P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

MAYOR ROBERT SIMISON

DATE APPROVED

ATTEST:

CHRIS JOHNSON - CITY CLERK