Meridian City Council Work Session **December 6, 2022.**

A Meeting of the Meridian City Council was called to order at 4:31 p.m., Tuesday, December 6, 2022, by Mayor Robert Simison.

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

Also present: Chris Johnson, Bill Nary, Caleb Hood, Tracy Basterrechea, Joe Bongiorno and Dean Willis.

ROLL-CALL ATTENDANCE

__X__ Liz Strader	__X__ Joe Borton
__X__ Brad Hoaglun	__X__ Treg Bernt
__X__ Jessica Perreault	__X__ Luke Cavener

___X__ Mayor Robert E. Simison

Simison: Council, we will call the meeting to order. For the record it is Tuesday, December 6th, 2022, at 4:31 p.m. We will begin this City Council 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.

Strader: Second.

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

MOTION CARRIED: ALL AYES.

ITEMS MOVED FROM THE CONSENT AGENDA [Action Item]

Simison: There were no items moved from the Consent Agenda or -- I think that's in the wrong place.

CONSENT AGENDA [Action Item]

1. **Approve Minutes of the November 15, 2022 City Council Work Session**

2. **Approve Minutes of the November 15, 2022 City Council Regular Meeting**

3. **Approve Minutes of the November 22, 2022 City Council Work Session**

4. **Approve Minutes of the November 22, 2022 City Council Regular Meeting**

5. **Budget Blinds Water Main Easement**

6. **Release of Water Main Easement 2022-033771 Roaring Springs**

7. **Roaring Springs Water Main Easement No. 2**

8. **Settler's Crossing Utility Alignment Sanitary Sewer and Water Main Easement**

9. **Seyam East Subdivision Water Main Easement No. 1**

10. **Seyam East Subdivision Water Main Easement No. 2**

11. **Summertown Subdivision Pedestrian Pathway Easement**

12. **Final Plat for Prescott Ridge Subdivision No. 3 (FP-2022-0033) by KM Engineering, LLP., located at the west side of N. Rustic Oak Way, approximately 1/4 mile south of W. Chinden Blvd./State Highway 20-26**

13. **Final Order for Foxcroft Subdivision No. 1 (FP-2021-0049) by Kent Brown Planning, located at 3515 W. Pine Avenue and the surrounding property south of Pine and east of Ten Mile Creek**

14. **Final Order 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**

15. **Findings of Facts, Conclusions of Law for Kingstown Subdivision (H-2022-0045) by Kimley Horn, located at 2610 E. Jasmine St.**

16. **Supplemental Agreement to the Longitudinal Pipeline Encroachment Agreement Dated July 5, 2006 between the City of Meridian and the Union Pacific Railroad Company**

17. **Fiscal Year 2023 Cooperative Agreement between the City of Meridian and Valley Regional Transit**

18. Professional Services Agreement with Crime Stoppers

19. Memorandum of Agreement Between the Ada County Highway District and the City of Meridian for Five Mile Creek Pathway Segment D Design and Construction

20. Approval of Purchase Order #22-0106 to Ada County Highway District for the Interagency Agreement for the Locust Grove, Overland to Victory Project for the Not-To-Exceed Amount of $1,312,293.46

21. Award of RFP and Approval of Agreement to Tonka Water for the Well 31 Water Treatment Facility Filter Equipment for the Not-To-Exceed amount of $532,200.00

22. Parks and Recreation Department: Public Art Project Updates

23. Task Order with Sector Seventeen for $8,500 in Fiscal Year 2023 for Installation of Mural at Meridian Pool

24. Professional Service Agreement with Eileen Gay for Installation of Mosaic Sculptures at Five Mile Creek Pathway Trailhub

25. Fiscal Year 2023 Net-Zero Budget Amendment to Accept Donated Revenue of $6,499.00, to Provide Spending Authority of Said Funds for Beep Beep Jeep Neighborhood Grants Project as Part of the Applicants Cost-Sharing Portion per Project Agreement

26. Fiscal Year 2023 Net-Zero Budget Amendment in the amount of $650.00 of Donated Revenue from the Blue Cross Foundation for Completion of the Mayor's Walking Challenge

27. Resolution 22-2357: A Resolution Amending the City of Meridian's Citywide Records Retention Schedule; and Providing an Effective Date

28. Resolution No. 22-2358: A Resolution Vacating the 6-Foot-Wide Public Utility, Drainage, and Irrigation (PUDI) Easements Platted on the Shared Lot Lines of Lots 4-5, 27-28, 29-30, 32-33, 45-46, and 49-50, Block 1 of Rockbury North Subdivision, Being More Particularly Described in Exhibit “A”; and Providing an Effective Date

29. Resolution No. 22-2359: A Resolution of the City Council of the City of Meridian, Idaho, Setting Forth Certain Findings and Purposes to Declare Surplus Property and Authorizing the Donation of Certain Computer and Equipment to Computers for Kids and the Nyssa Police Department

Simison: So, next up is the Consent Agenda.

Johnson: Apologies on that.

Simison: Councilman Hoaglun.

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

Strader: 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: ALL AYES.

DEPARTMENT / COMMISSION REPORTS [Action Item]

30. Discussion of Civic Block Time Extension Request

Simison: So, with that we will move on to Department/Commission Reports. First item up is discussion of Civic Block Time extension request. I will turn this over to Council President Hoaglun.

Bernt: Mr. Mayor, before we go on, point of privilege.

Simison: Councilman Bernt.

Bernt: I just want to give a big shout out to my good friend Luke Cavener. Give it up. He's in the house. Good to see him.

Cavener: Thanks, guys. Appreciate it.

Bernt: It's good to see you, brother. It truly is.

Cavener: It's good to be back. Good to be back.

Bernt: All right.

Simison: And for a second point of privilege, Councilman Borton, do you have anything that you would like to say?

Borton: Yes. Mr. Mayor, I will just continue to recuse and I don't participate in this discussion or deliberation, so I will continue that practice.

Simison: Thank you, sir.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: Yes, Mr. Mayor. This is an item that we are going to discuss, an extension request by River Caddis for the civic block. One of the things we will hear tonight is some more numbers regarding the move of the Hunter Lateral. I want to make sure everyone understands that there -- there might be some things we can do with the Hunter Lateral. The bids that we have been receiving are for the moving the Hunter Lateral for both the River Caddis property and the area -- the property around the Methodist Church. So, that is something we are going to look -- would like to look into the phasing of the Hunter Lateral and possibly the city putting out a request for bids for that in -- in -- in phases or for the -- just the River Caddis portion of the civic block for that, maybe through a bid alternative type of thing, but, anyway, so that -- I just wanted you to be aware of that, because a time extension would allow us to do that and maybe see if we can lower the cost of -- of that particular project. So, anyway, it's a -- you know, just an extension request is something to allow us to make a very intelligent decision in this economy that is changing and just something to keep in mind and there might be some options for that extension that we can discuss later tonight and just keep in mind whatever we decide to do it will go back to the MDC council for their final action, since we have to be in -- everyone needs to be in agreement on -- on what to do on this. So, with that short explanation, Mr. Mayor, I think we are ready to roll.

Simison: Okay. I guess I will see if there is anybody -- Ashley, I don't know if you had anything that you wanted to add or we -- we do have a representative from River Caddis here in the room or if Council just wants to dive right into the dialogue.

Squyres: Mr. Mayor and Members of the Council, thank you for the privilege of being able to sit down, so I don't have to deal with my back issues this evening. Ashley Squyres, administrator for Meridian Development Corporation. Council -- Councilman Hoaglun summarized a meeting that we had on Friday with River Caddis, just brainstorming some solutions and getting prepared for this meeting. River Caddis is prepared to give a short presentation and I think it would be best to allow them to do that. I'm happy to answer any questions you all might have afterwards, but I think what is being proposed this evening in terms of the time extension, along with some of the things that Councilman Hoaglun spoke about in terms of doing some additional investigation with the Hunter Lateral I think that is something that MDC board would be very agreeable to.

Simison: Thank you, Ashley. And with that why don't we just invite John with River Caddis to come forward and deliver his presentation.

McGraw: There we go. Sorry, everyone. John McGraw. River Caddis Development. Good to see everybody again. It's been a while. I would really like this to be a discussion today, because some of you haven't heard from us about what we have been doing and what's been happening over the past few months. So, I figured I would just kind of download some of the information that we have been passing along and the reason for this request and, then, open this up to any questions that you guys may have, no matter how difficult they are. I mean we are -- we are here to work with you. I mean the goal is to figure out how to do this project. So, whatever those questions are, however we get there, I'm hoping this information does help kind of paint a picture of what we are seeing and give a little bit of background. I will be quick on this, so -- there is not too many slides. So, where we started. Yeah. You -- you guys all remember our drawings and renderings from our initial presentation. What I wanted to start off by saying is this project was financially feasible. This was -- we had run numbers, we had a similar project that had a lot of similar -- while this looked completely different, the subcontractors, the foundation, the overall design was very similar to a project that we have completed in Ada county and from that we were able to really understand what we are dealing with. In fact, so much so that when we started this project -- I mean at ground zero if you put projects next to each other, apples to apples, we started with a huge financial win on this project, because of all of the things that you mess up on a past project; right? So, we started off looking really good. Another date to remember is that January -- I'm sorry -- July 22nd, that was our contract execution date. So, at that date we are looking bright eyed, bushy tailed, ready to go. I'm pumped; right? So, we had efficiencies. We began with a financially feasible project. We spent from January to July going through public meetings. I believe it was roughly seven, give or take, between that. We navigated that process very well I thought. We integrated some of the comments from the public into our design, some of the problems that people were seeing and, you know, we flipped the building pretty much on -- on -- from our original design. So, I wanted to jump into a little bit of the timeline of what's happened since, what we have done; right? We did that predevelopment. We got our project ready for entitlements for -- through CZC. That July 22nd date was when, essentially, we were looking to pull the trigger on construction drawings. We had to do one thing first, which was spend some resources to finally understand and get everybody on board with the cost of this facility. In the -- in a parallel path we had also been working on the design and development in terms of the engineering and architecture of the Hunter Lateral. So, going through the local approvals, the regional approvals, going through all of the process and policies that are needed to vacate alleys and vacate utilities and -- and relocate utilities and going through the irrigation district. So, that July 22nd is our execution date of our contract. We pulled the trigger on a comprehensive cost analysis of this project. Now, keep in mind we had been doing rough cost estimates all the way through. We had those subcontractors. We had the same general contractor. We had the same architect. We had the same landscape architect. We had the same civil engineer for the same project. So, we were checking this whole time. It looked like it was still tracking very well, even though we were starting to see a trend in costs going up, but given that our project in Ada county that was completed was also seeing increases in costs and we also had a flood and a fire -- we had two floods and a fire and all -- finished all the way through COVID. I think it was August 7th we received our cost from our contractors. August 8th I sent an e-mail to MDC requesting a meeting. The substantial increase in cost, which I will go through -- and I'm not going to go through line by line, but I picked the main ones to -- to show you kind of some of the things that we are dealing with in terms of these costs. But it was -- I mean they started off the conversation by asking are -- are you sitting down kind of thing and it was tough -- it was tough to walk through, because it was so demoralizing, so very different from where we -- where we started. So, we contacted the city about these findings and at this point we are like, all right, how do we figure out a path? We don't want to change the project. We -- we know what it looks like when it's done. We know that we can fill it up. We know we can manage it. We know where the rents are. We know what our pro forma looks like. What is this delta that we are dealing with? Is it something that we did wrong? Is it something that we have failed on and we keep running into this issue of it's just the start cost. It's just what we are receiving right now. So, then, our thought is, okay, well, maybe it's us. You know, we are from Michigan, our contractors are from Minnetonka, Minnesota. Did a great project. We paid our bills on time. We had really good references for that project and -- and how we started, how we finished. Created a lot of really good relationships with -- with government bodies, but also contractors. But maybe it's not being from here, maybe we are not getting the best prices. So, then, we found a local group as well who does a lot of similar projects and -- and, obviously, we -- you want to be loyal to the people who, you know, you go to the dance with with our contractors, but we did have to see for ourselves just in case. That was something that was happening to us. So, we went through and reran a full comprehensive analysis and they were very very close. Now, we did that for both the Hunter Lateral and we did that for all of our project costs as well and so -- and I -- and I also have Jason Densmer here from The Land Group, who ran our most recent cost analysis of the Hunter Lateral, if there are questions directly towards the engineering and design and cost that we come up with there. And so from July 22nd to today -- a short amount of time. It's not a ton of time; right? It's just a few months that we have had to really try to figure out this problem and I think on -- on our side personally, professionally, we are worried that we are not going to be able to come up with a creative solution in time, like from August 7th to December 31st. So, we have come and asked for an extension and we believe that extension -- or we believe the reason for that is things outside of our control. We are definitely not the only people dealing with huge cost hikes or -- or interest rate hikes. We are not the only project that's like, hey, we will pump the brakes here, let's see what we are dealing with and see if this calms down a little bit. That's happening across the nation and it's happening a lot here, too, as well. So, I want to show you just really quick our cost due diligence and what I saw. So, quickly, the methodology I did MEPs -- so, mechanical, electrical, and plumbing. And, then, I did parking structure and I did the cost. I did them per unit. We had 200 units, we had 400 stalls and what you are seeing in this photo or -- or -- or this graphic is on the top you are seeing -- what we are looking at in thousand per unit for each of those and -- and I will -- I have another slide here that shows graphically a little bit, so you are not looking at the spreadsheet. Then underneath, to save you trying to stare at what those costs are, that is a cost index of -- of different cities across the United States and what we did is we measured a similar project, of similar cost, of similar size in Minneapolis and we looked at historically what those costs look like against Boise; right? And so what we show there is Minneapolis, on average, because of various different reasons -- maybe it's labor, maybe it's union labor, maybe its cost of materials, maybe it's just how hard it is to do things in Minneapolis, it -- on average it's typically 14 percent higher construction cost on average across the board. So, that's just a -- just a note. So, the yellow here is where Meridian came in and I typically don't jump into our numbers, but this is what made us sit down and I wanted you to see what I was seeing, because they are so out of whack. So, parking stalls. This is hard cost per stall. We finished a project in 2021, paid 28,000 dollars hard cost a stall. So, just to give you an idea, let's -- we are saying soft costs are roughly about 30 percent. So, if the soft cost for a 35 -- and the red here is a 25 percent inflation from the Jules. So, that's where we were benchmarking, give or take. That -- that costs we are going to come back in. At 35 percent plus 30 percent soft costs, that gets you to roughly 44, 45 million and at 62,000 a stall with soft costs that gets you to 81. The gap right there alone is 14.4 million dollars. 14.4. Just in parking. Just in parking. Over and above. And you can -- the -- the percentage there and if you just look down you are looking at almost double the cost of what it cost to do in Minneapolis. So, here is a -- here is another graphic. Remember what I said, at 14 percent Minneapolis cost versus Boise, the actual index of where Boise is compared to Minneapolis is 69 percent higher than Minneapolis and so this is a -- there is something going on; right? Whether a huge project is coming in, whether I can't get straight pricing, whether -- you know, there is a lot of different things that we are dealing with that lead me to believe that this can't continue the way that it is and continue doing development. That's why everybody is kind of taking a step back. I don't believe that this is a forever thing. It's still a super desirable place to live. There is still a lot of people coming in. There is a lot of people looking for houses and looking to rent and looking to start their -- and -- and looking for places to bring their family. So, now jumping into the Hunter Lateral cost. The assumption that we all looked at 500,000 for the Hunter Lateral, in September Opus came in at 1.9. In November we reran it again with The Land Group just to make sure and Land Group came in at 1.85, 1.86. So, a substantial increase. Now, there is various reasons for that, if you want to know a little bit better of why, we do have -- as I said Jason Densmer from The Land Group to discuss some of those. Not going to jump too far into this. The pursuit of this project, our -- our investment, a lot of design, a lot of legal, a lot of public involvement, a lot of cost for Hunter Lateral and engineering and construction drawings and -- and project meetings and policy meetings and multiple cost analysis over the last few months of us just trying to wrap our heads around this -- this issue that we are dealing with. So, the reason why we came here today -- or I came here today and -- and my father, Kevin, was going to be here, but got -- he called me at 10:00 p.m. last night and said I came down with something awful and spent hugging the toilet. So, I apologize that he wasn't here to speak, but it was better for him and everyone for -- for good reason. So, our -- what we are requesting is the time to work with everybody here to try to figure this out. We do believe that we have an awesome project and it's going to be an awesome project for a really long time. We are requesting a year, because there is so much work to do that I can't get done in a couple of months. We have to look at a lot of different efficiencies. I'm not talking about changing the project substantially. We understand that if we change anything substantially that we will have to go back and -- and -- and -- and do that. We want to take a harder look at the Hunter Lateral as Councilman -- Councilman

Hoaglun mentioned earlier about different cost, operations, management, how to bring this to a financially feasible path that makes sense for this project or if there is no River Caddis for the city and, then, talk about progress reporting to make sure that you know that I'm continuing to try to come up with solutions for -- for these issues. But we really -- we really would respect and request that we get this extension, so that we can look for a solution to this. So, I -- I have gone over a lot of the -- the -- the -- the summary here of -- of what we have done. I'm -- I'm grateful you guys have taken the time to hear me today, so I would like to open this up to any questions or discussions that we can have.

Simison: Thank you, John. Appreciate it. And if I could just add to one thing and, you know, through the conversations that I have been a part of, understanding that the city -- if River Caddis ever decided not to build -- would be on the cost end of the Hunter Later. I in no -- in -- in my role of CEO could not come and ask Council to support a 1.8 million dollar movement of the Hunter Lateral if we were doing it today, let alone anybody else doing it. That portion alone would be the reason why I would support, you know, the extension, so we can get to that, because we -- we have to have comfort level where we would be -- I mean we just did an irrigation replacement at a golf course for that cost. You know, it's crazy to think about moving this piece of infrastructure two blocks compared to that and stuff. So, just wanted to let you know where I was on this -- is like I can't in good conscience ask the private sector or you to get behind that cost at this time for that project. It does seem to be -- even that just needs to be rescoped into what is of a feasible cost. It's an immediate need, not maybe what's best long term for the future of all of downtown, just the cost for this project. So, with that, Council, questions for John, Ashley, myself or anybody else in the room?

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I know our conversation here this evening is about an extension of time and sort of a big picture question. So, I don't want to get crazy into the details on what's going to happen, you know, too far down the road. But you brought up the significant costs that you are -- just thinking of significant bids that you are receiving. Being in and around the real estate market in our area, I had -- I wouldn't say a front row seat, but a second row seat to what happened during the downturn last time with commercial and residential construction and have a lot of relationships in this business and what I'm hearing is that costs are normalizing in nearly every arena, except for possibly steel and some of our HVAC, especially regarding the electrical and the microchipping in the HVAC. So, curious if you have seen that -- how recent your bids are and if you are seeing that. I know multiple large builders in our area are laying off labor and there is an anticipation that labor costs will reduce -- if not -- if they haven't already they will be reducing and -- and that shipping costs are -- are normalizing, international shipping costs are normalizing, trucking costs are normalizing, so I guess I'm trying to understand, you know, are these -- how old these numbers are and if you are seeing a change in that. I -- I agree with you these numbers do not look like what I have seen, not at -- not from an individual standpoint of folks just having worked on their individual homes and also, you know, what I have seen for residential construction. So, I don't know if there is some sort of disparity between these bids in the size and scope of project that you have from what we might see with something smaller or something larger. You would think that if you are putting 300 HVAC units in that you would have a less expensive price than you would an individual unit things and like that. So, I'm wondering if you have received the impression from either our local engineering groups or the advisors that you have in Minnesota that these are normal numbers and -- or not, because I -- I don't -- I just think you haven't asked enough contractors, to -- to be honest. So, curious how that conversation is played out within the advisors you have.

McGraw: So, our Minnetonka group, Opus, was our first go with this and that -- those numbers came in early August. So, that's just a frame of reference of this year. That was kind of like the whole you know what moment and so we -- when we had these discussions it was -- it was the same thing that you were asking. I mean are like why -- what's going on? Because even they are saying I -- we haven't seen numbers like this anywhere. It doesn't make sense. And that -- that's all I kept hearing is it doesn't make sense. So, then, we reached out to local groups as well and we got those mid to -- I think late -- late October. So, less than a month. Or sorry. Bad math. Just about a month. Just over a month. And they were very similar and they were like I -- we don't really know what to say, but these are the numbers that they are giving us and so unless someone's ready to put a shovel in the ground today, those are the numbers that were given; right? So, the contractors are going to give us -- we are going to give them drawings or -- or -- or a level of drawings and, then, they are going to say, okay, well, that -- for that job, that project, we are going to assign a cost to it and we are going to mark it up X percent for -- for a certain amount of time going forward and these are the numbers that we are getting. So, now if we reduce these costs a little bit to where we get a little bit more comfortable, where we can say, okay, we are going to get full drawings now and, then, we can go back out and they have more information to bid on and they can get more accurate and they know that they are going to get the job, agree, completely different story. But the problem we run into, just like anything, is are you going to pull a million dollar trigger on drawings if you are 26 million dollars off and you are like we got to figure that part out first. But all really good questions that we are still struggling with, too.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Hi, John. Thanks for coming. If you get the extension -- let's say it's a six month -- two six month extensions or a one year extension or whatever that ends up looking like, what skin in the game are you going to have? In other words, like what are you going to do during that time to continue investing in the project? The biggest thing I see is we have this big kind of chicken and egg issue of the drawings. It's a big investment. Most developers would move forward on the drawings if they were somewhere close to the cost that they thought. What's it going to take to move those forward? Like what are you going to be looking for in terms of milestones to move those forward? And, you know, what will you specifically be doing during this time to move the project forward?

McGraw: Thank you. You know, in a typical project -- right? I hate saying this, but it -- it never starts off working. It always starts off with a delta and it always starts off somewhere a little high; right? And, then, we work to bring it back down and there is always changes, there is always efficiencies that we create, especially when you don't have a prototype. I'm not using the same prototype and same drawings and just moving it city to city, it's not what we do. And so everything's different. In projects like this where and -- I -- honestly, I -- I'm in kind of a weird position, because I haven't been this far off. Like I -- I'm substantially off and I can't even say I'm substantially off, I mean it's -- I have contractors that -- that do three to four hundred million annually and they are going this is really messed up. None of this makes any sense and I rely upon that expertise and all of that. So, in terms of do I have a direct benchmark of like, hey, what's the number that I need to see to pull the trigger on drawings? I just need to see it coming down to something that we can figure out. When we start seeing numbers that are double what they are in any other market, it's hard to do anything. So, we need to see some downward trends and we might be seeing that. There are some things -- you know, we had a switch gear. We had a conversation with another folk -- another municipality that it was 51 weeks and we just did it again and it was 91 weeks to get switch gear. So, you have to purchase that switch gear 91 weeks before you can use it and that's not cheap and so there is these random things that keep happening in -- in different areas that -- that we deal with. So, that -- that benchmark that you are asking, we need to see a downward trend in cost. We do believe that that year -- and the reason why we asked for a year is that we will be able to get there. Now, if this happens sooner than we think, great, we are ready to go. We were ready to pull the trigger for CZC and construction drawings back in July. So, I'm hoping that turns a corner here in spring. But what we are hearing from experts in many different parts of the country is that it's not toward, you know, the third, fourth quarter of next year. I'm hoping that's when we see it and I'm hoping that we can come with a progress reporting saying, hey, we are getting there, we are getting closer. On top of that what are we going to be doing? If there is faith in us that we are the right partner, just like you are the right partner for us in this type of project, then, we are going to pursue different ways of construction. We are going to pursue many different subcontractors to pull this together. We are going to be running those analyses. We are going to be changing the architecture. We are going to be changing certain things to a certain level. We will, obviously, double check -- we will take some liberties as to what we are changing and making sure that it's not substantial. Like we are not going to lop off a floor, but let's just say the windows are a certain size now and we change those so that they are bigger and it looks better, those are liberties that we would take I would say and maybe that reduces the building envelope and reduce costs of the building envelope by 35 percent. So, we just need the confidence that we are still working with the city to come up with this solution and there is just -- it's hard to tell you everything. There is a ton of work. But we are -- I mean we are still stoked about this project. We still want to do it.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: So, are you guys planning to act as the GC now or are you still hiring someone under GMP? Help me understand if your thoughts have changed.

McGraw: That has not changed. We still have a -- a CM or GC oversee the project. Still have architect. Still have engineer. We will be creating efficiencies within that hopefully soft cost structure and how we are -- how we are developing the interior and moving things around, hopefully, so -- I mean anything that we change affects rent.

Strader: Yeah. If you take stuff out it takes -- it lowers this and it -- it's a -- it's a balancing act. But -- but, no, nothing substantially has changed in terms of taking people out and switching them -- none of that's changed today, especially when we got cost back of a local group and they are -- they are right next to each other.

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

Simison: Council Woman Strader.

Strader: Yeah. You know, one concern that I have is that you guys will get into this project and let's say that the costs come down and it seems doable, you proceed and, then, partway through the project something changes again; right? I just want to make sure there is no anticipation that the city is going to work with you financially at all to complete the project, because it's -- it's just not feasible in terms of what our municipality can do, in my opinion, and I -- and I -- I just wanted to kind of clarify that, because, you know, I wondered if you were thinking of acting as your own GC and trying to put together the subs and stuff yourself and that would take on a different element of risk I think to cost overruns that would make me uncomfortable.

McGraw: No. And a project this size our -- our company is eight -- eight to nine people and we are in Michigan. So, I, essentially, would have to move into a -- the construction trailer to -- to do that. And while I do love it here, I'm probably not going to do that. In terms of -- just to clarify your question or -- or just make a statement towards -- am I going to ask the city to give us a grant of some kind to cover the gap. That was never the intention. Never has been.

Simison: And if I could add it wouldn't be legal, because we wouldn't own the property and we couldn't do it even if they asked, so --

McGraw: Good thing I said no.

Simison: Very good thing you said no.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: That's all I had for questions. I mean I -- I have different thoughts, but, you know, I -- I will just say a year is too long to me. I'm very uncomfortable with the city committing to any financial obligation for the lateral, as the Mayor said, so I'm -- I'm -- that's a nonstarter for me. We don't need to do the lateral today. It's not an obligation we currently have. I don't think that the cause of urban renewal or this project merits taking on that financial obligation. I understand there are some factors outside of your control here and that's tough. So, I get that, you know. At the same time I mean I -- I have lost some confidence, just being really honest, about this. You know, a shorter time frame -- if the city had no financial obligation, you know, could we give you two six month extensions that we could mutually agree upon to keep moving it forward, something like that, I might be able to get my head around, because, then, I think there would be some more check-in and we could see if things change or not and, then, that would give us more flexibility. But that's just some feedback for me.

McGraw: Thank you.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Speaking of an extension time frame, six months, 12 months, I want to understand more about the -- the schedule that Opus put together that would effectively have started on the 1st that was included in the packet that we have for the -- the agenda tonight and the slide that you provided. The two don't quite line up and so wanted to know if you could share your thoughts on that. The -- the schedule that Opus provided shows that the contract extension would be the -- the preference is to have the contract extended through 9/5. I don't -- of 2023. I don't know which contract they are referring to. I assume it's the -- the memorandum of understanding, but I don't know what contract it's referring to or if it's referring to the purchase agreement with the city. So, if you could kind of clarify that and also help me understand if this is what you are proposing or this is just what Opus's ideal schedule would be and where some of the gaps are between like let's say the contract extension ending in September of '23, nothing seems to be happening until December of '23, can you kind of go through those first three sections with us in relationship to what you presented?

McGraw: Just so I can confirm, because I don't have that in front of me, that schedule was redone and, then, submitted with the letter that I sent. Okay. So, what I had Opus do is basically just add a year from that date when we had originally been talking and said, hey, you know, there is going to be some things that are going to change. It's not necessarily that -- the Opus timeline is to give an idea of what it could look like if things did move a year, but it's purely estimated, it's not to be counted on, because everything is going to change; right? So, different things -- it gives you an idea about how long things take when certain milestones are hit and -- and that was the purpose for that. But, hopefully -- I don't want to say don't read into it too much, because things will change, but I just wanted to give certain ideas -- an updated schedule. But when you don't know what's going to happen it's hard to -- to give one, so --

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: The reason I asked that question is I have a lot of concerns we will be 12 months down the road from here and -- and having more challenging conversations given what could potentially happen in the economy and I don't want to spend another year waiting without some more specific milestones and information and, then, be having more difficult conversations at that time. So, I know that there -- that a lot of that is out of your control. I understand that. Been through these conversations many times in a variety of arenas. But I have some ideas about what I would like to see happen over the next six months that would make me more comfortable doing a second six month extension and I can certainly provide those thoughts to MDC and they can communicate that with you. But I -- I just -- you know, I don't -- I don't know -- for example, I don't know what your financing structure looks like. I don't know how much of -- of cash you have in relationship to how much you're financing or leveraging. I don't know how interest rates are affecting you guys. I don't know if you are going to have investors come to you in a year and go, gosh, this sounded really good two years ago, but we are just not liking how it looks right now and we are -- I mean that's my concern if we give 12 months, that -- that we will be there and be in no better place than we are and we have -- we have that responsibility to answer to our residents about those things. So, I just have -- there is a few things I would like some more information on that are -- that will take too long for us to discuss tonight.

McGraw: Okay. If -- if I could touch on it briefly. In a good partnership you knowing what I'm doing is important. So, in terms of -- and I -- I put it in here for progress reporting, tough questions, tough conversations, tough presentations, fine with it. And, in fact, you deserve it. It's what the partnership is; right? We are both trying to work towards something. If you have questions I would rather you ask me the question, rather than assume I'm doing something poorly. When it comes to the financing, if -- I believe we went through a process with -- with the city and our financial institution who monitors how well we are doing financially and we did that privately, because we don't want the public -- and walked through what that looks like. In terms -- and I didn't -- I -- I may have skipped over this for the board, but we don't go to -- historically have not ever gone to a fund or a group of investors. We have done it internally and we have some relationships that we -- that have come in and said, hey, that's an awesome project, we would really like to be a part of it, here is an offer. But we do these projects as our family, which is great. However, when you are sitting in front of a board and you are about to lose the project, you are also about to lose all the money from your family that you invested to do it. So, it comes at that risk. But we have been checked on. Once we get to that point where we are going, of course, we can have it double-checked to make sure, because you have -- we are fine with that in -- in the same form that we had before. So, we -- we do want you comfortable and it's going to come -- you know, a give and take in that relationship, but happy to have those conversations. Happy to come back and talk to you and answer questions, whether they are tough or if they are flowery and great questions.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: Thank you, Mr. Mayor. Appreciate that last kind of round of -- of commentary, because I think it touches at least for some of my concerns. So, if I'm hearing you right, again, your request for time has nothing to do with financing and more to do with cost; is that an accurate statement?

McGraw: One hundred percent.

Cavener: Okay. Mr. Mayor, follow up?

Simison: Councilman Cavener.

Cavener: Council Member Strader I think touched on it a handful of times, about, you know, a six month with a six month -- to me interesting and -- and you haven't quite responded to kind of her -- her feedback on that, except that you kind of acknowledged that's what she said and so talk me through if you were given a six month time request with an option for a secondary six month extension, what would you hope to ascertain in the first six months and what would you think that you would need to bring back that would -- I guess what do you feel like that you would need to know a year from now, as opposed to six months from now, that would give you greater confidence about this project?

McGraw: The -- thank you for the questions. So, the -- the reason for the one year was in -- in our due diligence about when folks across the country see these trends really coming downward in terms of costs, that's going to happen towards the end of next year and so if we go to six months and that still hasn't happened yet and I come back in six months and say we have -- we have exhausted the efficiencies, we -- we still saved quite a bit and we have done a great job, but we are not there yet and you are like, well, it's been six months and you haven't shown enough, then, we have invested all of that sweat equity to make this real and we still just need the bottom line cost to -- to reduce and so in a perfect world I would have asked for Q2 of '25. I thought that was far too aggressive.

Cavener: And -- and Mr. Mayor?

Simison: Councilman Cavener.

McGraw: '24. Excuse me.

Cavener: Yeah. You kind of get to kind of where -- where I am, which is I don't know if you are in any better place when it comes to costs a year from now. So, if -- if we are kind of in acknowledgment that we need more time than a year, let's be honest about that and if it is longer than a year I think, then, that is a good conversation for the Council to say, look, we brought in -- you know, I think the term that you used when you first proposed is -- is pick the horse that you want to ride with and the Council did that and I think that we have sat side by side with you through this process and we have had hard conversations and certainly there has been mixed feelings about this project, but at the end of the day if we are going to be sitting here a year from now to your point with the sweat equity that you and your family and your organization has put in and we are still not there, we need to be talking about that now, as opposed to six months or a year from now.

McGraw: I don't disagree. There is one thing -- one comment I would like to add to that. So, if I didn't believe this project was viable and everyday past today we are going to be spending money on this project --

Cavener: Sure.

McGraw: -- that we could potentially not get back and that is our hope that we are starting to see enough downward trends that by the point that we get to this year and, hopefully, much earlier, honestly. It would be much better if it was much earlier. That we can pull the trigger on construction drawings and at least at that point, if I have came back to City Council and the MDC and we are at November and I'm like we have pulled the trigger on construction drawings, they are going to be done in January and, then, we are going to rerun the cost in February of -- of '24. So, if we are seeing that downward trend enough to mitigate and manage the risk of the project, that's where we see that this can happen and that's also why we asked for a year.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: So, all of this is predicated on the assumption that costs are going to decrease, which I think is a fairly safe assumption given what we know right now. That's the only way we can make this decision, what we know right now. I have read three articles this week with very differing opinions about what the Fed's going to do next week and interest rates. So, it's -- it really is truly an up-in-the-air situation for all of us in some capacity and I know that is affecting your decisions as well. What -- so, let's make the assumption that -- that there is -- that the costs are going to decrease and you don't get to the place that you want to be in the time frame that we hope to see it. Have you kind of thought through what your plan is at that point? I -- I just -- we are -- we are asking for a 12 month decision based on an assumption and it sounds to me -- and this is the first time I have actually heard you say this -- that you have a group advising you that costs are going to be at a -- at a place that are manageable by the -- by third quarter or fourth quarter of next year, based on what information -- this is the first I have kind of heard this. And, then, you know, what are you thinking as far as, okay, if we don't get there what does this look like for us? And you all have done this many times. You have no doubt been in situations where you have had to have pull the plug discussions. So, what does that process look like for you and your team?

McGraw: Great questions. So, as to the cost and how we arrived at when we think that these are going to happen, yes, I'm the one saying it today, but we have arrived there from -- we have -- we have built in seven different states. We have used a lot of different contractors with a lot of different brokers and a lot of different folks working in capital markets. So, a lot of it's conversation; right? And so those people have a lot of experience in the field -- experience in economic trends. Are they always right? Absolutely not. Right? They are giving us their best guess. It's the crystal ball. And I might not be helping myself by saying that, but it's true; right? We are using our best guess now to these costs going down. I have four -- five multi-family projects that I have already put off for a year, just because of this reason. Now, the difference in those markets is I'm not looking at cost hikes this absolute extreme and that's why I believe that they are going to go down and that's why I am asking for that extension and so are they going to all the way go down? They might not. But if we have that time to integrate efficiencies and -- and rework some of the -- the structure of how this building fits together cost wise, I think that there is a really good shot. I really do. And that process of pulling the plug, the investment goes away and that's a scare -- I mean I -- I made a -- my body language changed when you said that and it was almost like I laughed, but I -- I have to tell them I got to go back to our family and say it's not going to work and that goes away and that's not a -- that's not a good day for anybody. Much worse for me. But not saying that the city doesn't have the investment in it as well. We do understand that and don't take that lightly.

Simison: And -- and, you know, I know Council Woman Perreault, you and I were at the ATI last week and, you know, we -- we heard rates -- those people are projecting they are going up until March of next year before we see them top out and, then, you have the -- how long will it take for those rates -- everyone's guessing. Nobody knows in this economy. I mean we -- under that scenario six months doesn't do us any good, quite frankly, because if they keep going up until that hits and it gets on top of the -- whatever it was -- I -- I don't know the financial term that they were describing, but you got to have that happen before you see all parts of the economy start to push downward and it's not going to take one month at that point in time. But they also say we in the Treasure Valley we are unique, that we -- we may not see that -- any of this downturn in -- in the way that the rest of the country may see it either. So, it's -- nobody knows.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: I just want to quickly say I -- I'm sorry for that hard question. The reason I asked it is -- I think you can tell the folks that have went through the downturn and -- and those that didn't, that we always want to be more prepared than we were the last time and folks weren't asking those questions early enough and I hate having those conversations. I absolutely hate asking those questions. They sound so negative. But I -- answers to those kinds of questions help me understand the perspective that any contractor -- any developer is taking and it's important for me to understand how you are thinking through this, not just what you think about it, so --

McGraw: And I appreciate it. And -- and one more thought to that and I don't know if this helps or not, but I did share it with Liz in one of our conversations a while ago. In 2007 we built one of the largest -- if not the largest at the time student housing facility in College Station, Texas, at Texas A&M, when nobody was getting financed and we saw the trends.

We put it forward and it was an amazing project. Had a lazy river -- the first lazy river in the student housing facility. But it gives you an idea that not only have we been through the downturn, but we have been financed during the downturn. So, hope -- maybe that helps.

Bernt: Mr. Mayor?

Simison: Councilman Bernt.

Bernt: Tough discussions, but necessary discussions I think and I appreciate you flying to Meridian and having this conversation with us tonight. I -- I personally -- I -- I -- I wanted to come to this meeting tonight with -- and hear some solutions and it seems like, you know, there is just a lot of uncertainty -- no fault of your own. It's just -- I just think that's the market that we live in. I think there is a huge difference between the residential market and the -- in -- in our area and the commercial market in our area. I think we are experiencing some crazy things residentially and commercially I think that it's still gangbusters and I don't know how much longer that's going to last. Usually there is a lag between the two. I was -- I -- I'm still of the opinion -- I -- I -- I -- I'm not sure that six months is going to be enough time. I don't know that a year is going to be enough time and at the end of the day sometimes time is -- timing is everything and maybe right now at this moment just isn't the right time, you know, as much as we want it to be. I'm -- I'm -- I have always been a huge proponent of downtown. I -- I -- everyone knows that and I want the downtown corridor to be as successful as possible. I -- I -- I -- with that said I just -- I think that it's just -- right now is not the -- not the time and -- and I think that there is a greater chance that, you know, in a year we are going to have to just redo the project and have it -- because I think it's going to look substantially different. If this -- if -- if we continue to go with this project I -- I just think that it's going to get to a point, whether it's a year or year and a half from now, that it's just going to -- it's going to look a lot different than what -- than what it looks like right now. Just -- for a lot of different reasons. And so I -- I'm of the opinion that I -- I'm probably in the camp -- and it looks like I'm on an island, but I think I'm in the camp of just punting. You know, I think we should wait and I am probably not in a situation right now to extend the one year. I could be talked into six months. I just don't think anything is going to happen within six months. I do believe that, you know, rendezvousing in six months, having a conversation, maybe there is a miracle, maybe something's changed. I just think a year is just way too long. So, those are my thoughts.

McGraw: If I could, if you don't mind, I made an extra slide that I didn't share. I -- I did share with everybody, but I haven't really gone through it. One, I didn't know if it was appropriate and I was also -- it's also kind of leading into you not granting the extension. So, I didn't really want to show that. But I did kind of want to walk through just an idea of what does happen if you don't -- or if there isn't an extension. There is a lot of time that still has to go through with the new process; right? And what's that time -- there is still -- if a year is given and within that year; right? If a miracle happens as -- as you mentioned or if by chance this economy turns around in some aspect enough to pull the trigger, as you mentioned, the project is likely not going to look the same, which means it's going to have likely less of an impact economically as a -- as a single project; right? Depending on what it is, obviously. It can be something that none of us are really thinking about that we don't know. But are we also -- if we do put this out -- and I say we loosely; right? If you do put this out are you going to get someone to respond to it that's going to create that substantial economic gain and can they guarantee it or is it going to be the same situation except for you are going to lose an additional 12 months just in the process to start it all over again and -- and I just wanted to show this slide, because it is a risk to ask you guys to give me an extension after only four to six months of us starting the process after an execution. But the upside could be higher and should be higher and it will have a lot of the things that we all discussed and all agreed upon in terms of public use, in terms of commercial use, in terms of parking, in terms of these other things. So, yes, you -- I -- I am requesting that you take a chance in -- in the partnership, but there is also a chance that nothing at all happens for a long time and you could let me pursue and see if I could make something work, because I do have a lot of things done already in terms of ready to go, pull the trigger and go. Not trying to completely change your mind, but I'm kind of trying to change your mind.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I want to wish you well on -- on changing Treg's mind, you know, so -- I haven't mastered that yet, so --

McGraw: Just provide the information and hope.

Hoaglun: Mr. Mayor, just to comment. You know, I -- I -- I -- all along I have -- I have been interested in the 12 months just as it's been stated. I don't think -- think things are going to change very quickly in the future. I mean that six months -- you know, it could be worse. We don't know where we are going to be. But to me 12 months was a reasonable request. However, if -- if there are things people want to put into place to check in at six months and possibly have some options, I -- I -- I -- I could go along with that. I mean that's something that -- to get the votes if we need to do that we need to do that. It's just the matter that I -- I don't think any of us -- if we had a business in the economic conditions today and our numbers were upside down for whatever project it is that you are involved with, we would move forward and put money into something that we know we could -- we could lose it all. It's just -- that's just smart business not to do that. And so we entered into this partnership at a time when things looked good. We thought, hey, we are going to get -- make this happen, it's going to move forward, and things out of all of our control have -- have changed. So, that's where we are and that's why I would support 12 months, but if you want to have some sideboards on it, let's discuss that and -- and see what we can do and -- and move it forward and -- and -- and I -- I think River Caddis should be a partner on this and hopefully, Council Woman Strader, you heard that there is no city money involved in that and Councilman Cavener had heard the hundred percent, so -- on his question. So, something to discuss. How -- how do we do it? What's the relationship moving forward? What does that look like?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. So, I just think that 12 months is too long to extend. I think two six month extensions gets you to the same place. I don't expect in six months you are going to come and say great news, all the trends have changed, but I do expect in six months that you could have figured out, you know, maybe you are going to do modular construction. Maybe you are going to do a totally different approach. Maybe you could have figured out in that time a different way to work through this and, you know, maybe you will have value engineered yourself to a better spot. So, at least there would be a progress report at that point that gives me the confidence that you didn't just like set this on a shelf, you have been working on it diligently and it's moving in a good direction and, then, you know, that would give me confidence to give you another six month extension. It's a mutual decision we would have to mutually agree on and, then, at that point, hopefully, for the second six months, your trends are going in the right direction. I just -- to me a year is a really long time to tie the city up without the ability to put this out to an RFP. Not that -- not that we would get an RFP going that would be the same project. I think it would have to be going in a really different direction. I just don't -- I don't -- I don't like tying this up for that long without kind of a milestone to very seriously check in and I feel like six months will force everyone to do that and that was my rationale for proposing it that way. Hope is not usually a strategy, but in this case, you know, you -- you may -- you may get there and I understand what you are saying and often projects do come together. Things can change. You are going to pull some levers on your end. Other people are going to pull some levers for you. You are -- you are going to hopefully -- if -- if the trends change in a positive direction a year from now, it's -- it's going to move forward. There are things you can do on your end, too; right? I mean, you know, I -- we talked about some of your costs. We didn't talk about all of them. You know, the -- the finishes and stuff aren't going to move the needle, but, you know, it could very well be that the cost of concrete, for example, will change or the cost of steel will change and some of the things that -- to Council Woman Perreault's point would really move the needle. So, it could be that some of those things are evolving in a good direction and six months from now some of them aren't. But you know where the bulk of your risk is. I just feel like given the amount of work and the amount of investment if we are not on the hook to do the lateral, I'm okay with giving two 12 month extensions. But that was my -- just to explain my thinking.

Simison: You meant six months I'm sure.

Strader: Absolutely. I'm sorry I slipped up on that. Two six month extension options to be mutually agreed upon.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Yeah. I agree with Council Woman Strader. I'm -- I am favorable to that recommendation, but I want to get clarity on what that means -- what that does mean for the timing of the Hunter Lateral. Am I understanding from reading the letter that you had sent -- reading the MDC's response, am I understanding that you are -- you are anticipating delaying the completion of the project for a year or are we talking about finding an entirely different solution for how to -- to fund it all together?

McGraw: And we are talking about the Hunter Lateral, right, the funding of that? So, what I can say today is that we originally started with a rough estimate of 500,000 where the city was comfortable with a certain -- to a certain extent and so were we. But you quadruple that number and, then, we have a different story and -- and Mayor touched on that earlier. So, if we don't find a financial solution and not just -- not the financing. I mean if -- we may have to phase it, but if the city does not want to finance it; right? Neither does the developer, because we need to make sure -- like up front we need to make sure that, you know, as we have negotiated this process, the Hunter Lateral gets paid for by the project. If not, then, it goes to our clause in the agreement and so we have to go back and look at, okay, are there other alternatives in doing this Hunter Lateral that reduce the costs. But we have to do that together. And, then, we also have to decide is it the right time to do this or do we postpone it completely. I mean until it's the right time to do it. Because we may have to wait until it's not irrigation season to test it, but it doesn't mean that we can't do work. So, it will be a collective mutual decision to go forward, but it's just -- it's really hard to answer which way we are going to go with it, because there is so many things that we have to, one, agree on and, two, engineer.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: In your opinion do you think that the -- the -- the cost element of it could be figured out by the end of the six months? Obviously not proceeding with the work, but do you -- do you believe that those conversations can be had and funding that Hunter Lateral move the 1.8 -- hopefully the cost won't change again. Do you anticipate that there can be a solution found by the end of the six months?

McGraw: I can't confidently say either way.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: If I might jump in on this. I think, Council Woman Strader, what we are looking to do is if we can break that apart, instead of the whole project -- I'm sorry, who did I say?

Simison: Ms. Strader.

Perreault: I'm sorry. Council Woman Perreault. Man, I just cannot figure that out. Anyway, the -- the phasing of the Hunter Lateral, if we can break that apart and look at doing separate sections and it might be the -- the civic block location -- maybe costs come down, maybe they don't a lot, but by being a smaller segment maybe we can figure out a way to make that work. Maybe we work with MDC on some funding strategies that could -- could get that project done. But it will take time to -- to -- to do that. Plus, as you know, our bidding process -- process, Council Woman Strader, isn't the fastest. There is processes we have to follow by law. So, to put that out to bid and check those numbers we do need that time. So, that's where -- that's where I think there are some options that, then, in -- in six months we can come back and -- and kind of look at that and go, okay, what -- what is -- what is doable in this situation, so -- I hope that helps.

McGraw: And we can work to collectively present a recommendation, too. Come up with some different plans.

Simison: So -- so, Council, we have reached that point in time where -- if we were a few months down the road I would have done a hard stop ten minutes ago, but in this case we have been trying to like run us to the point that -- Caleb, I think you understand we are going to be delayed again on that topic, but do we have a direction we can -- someone want to make a motion? Is there further dialogue?

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: I guess not really a formal motion, but sort of a motion. So, I would move that we grant two six month extensions to be mutually agreed upon and just making it clear that the city will not take on any type of financial obligation around the Hunter Lateral construction at this time. Hopefully that's sufficient.

Hoaglun: Second.

Perreault: Mr. Mayor, I would --

Simison: I just had a second?

Perreault: Oh, I'm sorry?

Hoaglun: Second the motion.

Simison: I have a second. Discussion on the motion?

Perreault: Mr. Mayor --

Simison: Council Woman Perreault.

Perreault: -- I apologize, I didn't hear Council President Hoaglun's second. I would like to add to that that we have a recommendation for the progress of Hunter Lateral by the end of those six months.

Strader: The motion maker agrees with that.

Simison: Second agree?

Hoaglun: Mr. Mayor, I would agree and -- and just point out that, you know, some of that's going to be on the city to -- to do and -- and I don't know what -- what that looks like in terms of -- yeah.

Simison: And I would say based on the -- you know, I think that the Hunter Lateral will continue to be a joint conversation. Who pays for -- if -- if this decision is made to move it, who pays and what fashion and what point in time there is an agreement with things, but I think it will be a joint dialogue. We could put it out to bid and if they pay us for that bid, that -- you know, there are ways that we may be involved in the -- in this whole process as we look at it, but I think it will continue to be under the guidelines of the agreement that we currently have in place.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: Yeah. I -- I -- I think the idea would be -- just to clarify, because I think I see where Council Woman Perreault is going with it -- would be at the time that we consider the second extension for six months that we would have a mutual discussion around the strategy to approach the Hunter Lateral, just to further clarify.

Simison: If it's not already been resolved by then, yes.

Perreault: Mr. Mayor?

Simison: Council Woman Perreault.

Perreault: Yes. Thank you. I appreciate that, Council Woman Strader. The thought behind that is -- for me that's a significant element as to whether I agree to a second six month extension, but also that's right before our budget season and I would like to know if the city is committing itself to a significant amount of dollars before we go into our budget season next year.

McGraw: Do you mind if I say something really quick?

Simison: Yes.

McGraw: About the motion? Is there any way to -- I know that you have mentioned it being mutually agreeable. Is there any triggers that if River Caddis has continued to work and provide progress reports to Council or MDC, that that can be automatically renewed, so it gives us a little bit of confidence in pushing forward? I know it's a tough question, but if we are continuing and -- and really doing everything that we can and continuing to invest, it would be nice not to have it at complete discretion.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: I will just -- I will respond from -- from my perspective on that. Going into tonight I -- I don't think I was supportive of granting any time request. I think that the feedback from you this evening around kind of your plan to a degree almost reinforced that. I don't know if we would be any different a year from now than we are today. I know you feel a little bit differently. To me I think that six month period shows that opportunity on your part to follow through on the work that you are doing -- the progress reports that you are doing and it -- as -- as one person who will have that vote six months from now, if I believe you are making meaningful progress in a collaborative effort with MDC and the city, then, I will be supportive of granting a second six months. I'm not in favor of an automatic six month that is based on your determination that you have -- have met the intention of the Council's wishes. I think a six month is a -- it -- it's -- it's -- it's a true partnership and there this is shaking hands and saying we are going to work through this together. I recognize that so much of this that was thrust upon you and your family and your business was not of your own doing. Likewise -- and Council has touched on this time and time again. We have an obligation to our citizens and I think that a six month with an opportunity for us to come back much like we have done tonight and speak collaboratively and you asked the hard questions of us, which I appreciate and we of you and continue the strong partnership, that we can do that together. That we can do that six months from now and we can do that again a year from now and we can do this together when we cross the finish line together. So, I wouldn't be in favor of -- of any type of an automatic six month. For me I'm going to spot there, let's do six months or -- or nothing at all.

Perreault: Mr. Mayor?

Simison: Which way was that one? Council Woman Perreault. Sorry. You both went to the mic and I couldn't tell where it came from.

Perreault: As is common, my fellow Council Members often explain things better than I do. Thank you, Councilman Cavener. That is really -- was very clear and I appreciate that and I agree with you. Just to clarify, when -- when I'm talking -- I want to clarify kind of the expectation that I'm asking for. I'm not asking that the funds be available in six months. I'm not asking that we have everything completed to start work on Hunter Lateral and six months. What I'm asking for is that there is some sort of mutual solution for how it's going to get done. That's -- that's all I'm -- I'm getting at. I'm not -- you know, that -- that the conversations are had and that there is some sort of verbal agreement on to --

you know, what's going to happen with it, timing, and what each party anticipates their role will be. I hope that clarifies, if it wasn't already clear.

Strader: Mr. Mayor?

Simison: Council Woman Strader.

Strader: So, as the maker of the motion I would say -- my feedback would be no option to us on your part. I think it should be mutual. But I think you have heard feedback directly from me and Councilman Cavener or Council Woman Perreault and probably have a good idea from the other Council in terms of where their head would be at at that first -- at that second six month extension. So, hopefully, that feedback is good feedback that we could move forward together. Mr. Mayor?

Simison: Council Woman Strader.

Strader: So, I would continue with my motion.

Simison: Are you calling the question?

Strader: I don't think I'm allowed. Isn't that your role?

Simison: Anybody can call the question.

Strader: Really? I learn something every time. All right.

Simison: Technically, I can't call the questions, so --

Strader: Really?

Simison: No.

Strader: Well, that's fascinating. All right. Well, I would like to call the question, please.

Simison: The question has been called on the motion. All those in favor signify by saying aye. Opposed nay? The ayes have it. The motion is agreed to and we have at least the city's direction that we will punt to MDC for their consideration and your consideration as well.

MOTION CARRIED: ALL AYES.

Cavener: Mr. Mayor?

Simison: Councilman Cavener.

Cavener: For clarification, maybe either from you or from Mr. Nary. If I recall -- I mean with this being now volleyed over to MDC, it would take their concurrence to our motion. Could MDC disagree, what happens at that point?

Simison: Armageddon.

Nary: Mr. Mayor, Members of the Council, Council Member Cavener, so -- yeah. So, there is a -- there is a mutual arrangement with MDC and such. If -- if there is no meeting of the minds, then, the current agreement expires at the end of the month.

Cavener: Okay. That -- that was my assumption. I just wanted to make sure that that was the case.

Squyres: Mayor and Members of the Council, Ashley Squyres. I believe our board will be agreeable to this motion. What we will need to work through, however, with legal counsel on both sides is when the extension would be fully -- what the extension would -- that start date would be. Would it be January 1? Because the MOA technically expires on December 31st. We will need to work through any other adjustments to the purchase and sale agreement and the MOAs as well, too, so -- and legal counsel is here to answer any questions you may have.

Lakey: Mr. Mayor, just add to that, we didn't pursue our motion such that it was an automatic -- this is what we do. It's a negotiation of the terms in accordance with what we are talking about. So, we had some additional desires regarding the purchase and sale agreement and we will sit down with you all and try to do the -- or with -- with your legal counsel and try to do the -- the Vulcan mind meld and -- and get both things together.

Hoaglun: And Mr. Mayor?

Simison: Thank you. Councilman Hoaglun.

Hoaglun: To that -- to that six month question, you know, with the expiration on the 31st, my assumption was all along, then, it kicks in January 1 and off we go for the six month countdown.

Simison: Okay. All right. Well, then, that will conclude Item 30 on our agenda.

31. Community Development: Analysis of Housing Code

Simison: Item 31 we will reset to a different date. I don't know -- you will have to work with the clerk during this time to find a date. Mr. Hood.

Hood: Mr. Mayor, just real quick. We just talked about next week and it sounds like that workshop is pretty full. So, then, we are at the first of the year. So, I will continue to work with your office, the Clerk, Council President. Next week doesn't look favorable, though.

Simison: Okay. All right.

Cavener: Sorry, Caleb.

Hoaglun: Mr. Mayor?

Simison: Councilman Hoaglun.

Hoaglun: I move we adjourn the work session.

Simison: 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 5:50 P.M.

(AUDIO RECORDING ON FILE OF THESE PROCEEDINGS)

____________________________________ ______/______/______
MAYOR ROBERT E. SIMISON DATE APPROVED

ATTEST:

____
CHRIS JOHNSON - CITY CLERK