

# **Annual Report – 2004**

## **Meridian Development Corporation (MDC)**

### **City of Meridian Urban Renewal Agency**

**Legal Requirements:** An urban renewal agency is required under Idaho Urban Renewal Law to file with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year. The report is to include a complete financial statement, setting forth its revenues and expenses at the end of the calendar year. The fiscal year for the urban renewal agency, the City of Meridian and most other political subdivisions in the State of Idaho runs from October 1 through September 30. Consequently, the attached financial statement is for the period ending September 30, 2004. This represents a complete financial statement for fiscal year 2004. Also attached as Appendix A is an excerpt from the independent auditors' report for the City of Meridian (pages 12-15). The Meridian Development Corporation is reported in the audit as a "Component Unit" of the City and tracked as a separate column in the associated spreadsheets.

**Major Implementation Efforts:** The agenda for the January 2004, Board meeting served as a microcosm of the entire year. Five major items were on that agenda: 1) completing the Marketing Strategy; 2) defining a TIF contribution policy; 3) hiring an administrator for the agency; 4) "doing something" about the old creamery property; and 5) initiating a downtown transportation plan. Each of the latter four in this list have been under discussion for some time and were highlighted throughout the Marketing Strategy planning process as high-priority needs for the future.

The Marketing Strategy report was finalized and officially accepted by the Board via Resolution 04-011 on June 9, 2004. This year's activities included additional briefings for the Mayor and City Council, the MDC Board and a well-attended public meeting. The passion and skill that The Hudson Company brought to this planning process carried through both to the substance and the structure of the final document. Substantively, it planted MDC's feet solidly in a single strategy: "Develop the City of Meridian as the Heart, Home and Hub of the Treasure Valley." Structurally, the report was designed and presented as a web-based report – a first for MDC and perhaps for any local government in the area (see <http://www.meridiandevlopmentcorp.com/internal/vision.htm>).

The January discussion of a TIF contribution policy led ultimately to MDC's first Owner Participation Agreement, adopted as Resolution 04-012. This agreement, entered into with Farmers and Merchants State Bank on July 14<sup>th</sup>, represented MDC's first financial support for new development in the urban renewal area. MDC support also proved to be a key component in enabling the bank to meet the City of Meridian and MDC's desire for a building representing a new urbanism design as opposed to "just another branch bank." The building is due to be occupied by mid-February 2005.

Hiring an Administrator was one of the highest-priority items in the Marketing Strategy. The goal was successfully accomplished in October when the Board adopted Resolution #04-015 entering into a contract with Avalon Ventures Consulting, Inc. (AVCI) to

provide administrative services and support for the Board and for Board-endorsed activities. Clair Bowman, owner of AVCI, had resigned his seat on the Board in order to enter into this contract.

The Marketing Strategy report referenced, on several occasions, the prior year's *Downtown Meridian Urban Renewal Area Urban Renewal Eligibility Report*, specifically with regard to the single most glaring blight in the urban renewal area – the old creamery property. With the assistance of a developer, a Phase I environmental assessment was completed; a Phase II plan was initiated and a draft received in late 2004. Developer interest has been strong; the City of Meridian and the MDC Board continue to see the property's re-development as one of the highest-priority items for 2005.

Thanks to the willingness of the City of Meridian and the Ada County Highway District to commit funds, a Downtown Meridian Transportation Management Analysis is underway, with completion expected in early 2005. MDC has been an interested participant in the process and, like the City of Meridian, looks forward to a broadly accepted resolution to the ages-old debate about the "Main-Meridian issue" and then to quick action by ACHD to begin implementing whatever decision is reached.

**Other Activities:** In addition to these major foci, work quietly continues on several additional fronts: a plan for gateway signage and a search for funds to implement it; on-going improvement of the MDC website, [www.meridiandevelopmentcorp.com](http://www.meridiandevelopmentcorp.com); preparing for a future application for a Community Development Block Grant and/or Economic Development Administration grant; a grant application for support to purchase new banners for downtown light poles; beginning to adopt standards for streetscape components as a result of the Farmers and Merchants Bank building project; tracking development of new design guidelines for the downtown core that are being prepared by the Meridian Planning and Zoning Department; and consideration of an MDC logo.

**Official Actions:** Officers elected at the February meeting were the same as in 2003: Chairman – Craig Slocum; Vice-Chairman – Clair Bowman; Secretary – Clarence Jones; and Treasurer – Stacy Kilchenmann. Clair Bowman resigned from the Board in September. Clarence Jones was elected as Vice-Chairman to replace Clair and Jon Cecil was elected as Secretary to replace Clarence Jones. A hearing on the FY2005 budget was held on August 18 with the budget adopted as Resolution #04-013.

Ron Anderson was nominated by Mayor deWeerd and confirmed by the Meridian City Council in December to fill the Board vacancy left by Clair Bowman's resignation. Ron attended his first meeting on December 15.

Respectfully submitted,

Clair Bowman, Administrator  
Meridian Development Corporation

## Meridian Development Corporation FY2004 End-of-Year Financial Statement

	<u>Total Original Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Original Budget Variance</u>	<u>Percent Total Original Budget Remaining</u>	<u>Prior Year Actual</u>
<b>Revenues</b>						
General Property Tax Revenue	100,000.00	112,405.99	112,405.99	12,405.99	12.40%	0.00
Donations	60,000.00	0.00	0.00	(60,000.00)	(100.00%)	40,000.00
Interest Earnings	<u>0.00</u>	<u>877.45</u>	<u>877.45</u>	<u>877.45</u>	<u>0.00%</u>	<u>424.52</u>
<b>Total Revenues</b>	<u>160,000.00</u>	<u>113,283.44</u>	<u>113,283.44</u>	<u>(46,716.56)</u>	<u>0.00%</u>	<u>40,424.52</u>
<b>Expenditures</b>						
Personnel - wages	20,000.00	0.00	0.00	20,000.00	100.00%	0.00
Office Expense	2,000.00	928.12	928.12	1,071.88	53.59%	75.74
Public Meeting Expense	0.00	0.00	0.00	0.00	0.00%	12.08
Professional Services	64,000.00	40,664.83	40,664.83	23,335.17	36.46%	10,371.20
Audit & Accounting Services	1,000.00	500.00	500.00	500.00	50.00%	0.00
Market, Economic Fees Studies	0.00	10,144.88	10,144.88	(10,144.88)	0.00%	2,500.00
Contracted Legal Services	10,000.00	13,088.61	13,088.61	(3,088.61)	(30.88%)	9,162.02
Grant Writer Services	0.00	0.00	0.00	0.00	0.00%	0.00
Public Education / Marketing	0.00	0.00	0.00	0.00	0.00%	0.00
ICRMP-Insurance Premium/Claims	1,500.00	1,982.00	1,982.00	(482.00)	(32.13%)	1,483.00
Miscellaneous Expense	1,500.00	1,140.93	1,140.93	359.07	23.93%	498.95
Loan payment City of Meridian	<u>60,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>60,000.00</u>	<u>100.00%</u>	<u>0.00</u>
<b>Total Expenditures</b>	<u>160,000.00</u>	<u>68,449.37</u>	<u>68,449.37</u>	<u>91,550.63</u>	<u>0.00%</u>	<u>24,102.99</u>

**APPENDIX A**  
**EXCERPT FROM THE INDEPENDENT AUDITORS' REPORT**  
**FOR THE CITY OF MERIDIAN**

The following pages represent pages 12-15 from the FY2004 independent auditors' report for the City of Meridian as approved by the Meridian City Council on February 1, 2005. The columns headed "Component Unit" on pages 12 and 13 refer to the Meridian Development Corporation. Rows labeled "Component Unit" on pages 14 and 15 refer to the Meridian Development Corporation.

CITY OF MERIDIAN, IDAHO  
STATEMENT OF NET ASSETS  
September 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 2,150,669	\$ 4,830,216	\$ 6,980,885	\$ 71,773
Investments	14,889,312	39,990,261	54,879,573	-
Receivables				
Accounts (net of \$31,642 allowance for enterprise fund uncollectibles)	465,072	1,668,314	2,133,386	-
Property taxes	8,274,050	-	8,274,050	-
Assessments	-	6,164	6,164	-
Due from other governmental units	827,348	-	827,348	-
Interest	59,607	225,193	284,800	-
Prepays	10,010	58,754	68,764	-
TOTAL CURRENT ASSETS	<u>26,676,068</u>	<u>46,778,902</u>	<u>73,454,970</u>	<u>71,773</u>
<b>NONCURRENT ASSETS</b>				
Restricted cash and cash equivalents	1,110,991	-	1,110,991	-
Restricted investments	1,547,984	-	1,547,984	-
Capital assets				
Land, infrastructure, and other assets not depreciated	8,794,104	7,852,483	16,646,587	-
Buildings, improvements and equipment, net of depreciation	<u>10,571,139</u>	<u>75,954,931</u>	<u>86,526,070</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 48,700,286</u>	<u>\$ 130,586,316</u>	<u>\$ 179,286,602</u>	<u>\$ 71,773</u>

See accompanying notes

CITY OF MERIDIAN, IDAHO  
STATEMENT OF NET ASSETS (Continued)  
September 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 793,587	\$ 1,507,626	\$ 2,301,213	\$ 657
Accrued payroll and taxes	451,825	168,971	620,796	-
Accrued vacation, current portion	46,134	9,513	55,647	-
Interest payable	39,467	-	39,467	-
Deferred revenue	8,145,287	59,644	8,204,931	-
Customer deposits	300,563	76,062	376,625	-
Capital leases - current portion	375,000	-	375,000	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,151,863</b>	<b>1,821,816</b>	<b>11,973,679</b>	<b>657</b>
<b>NONCURRENT LIABILITIES</b>				
Accrued vacation - less current portion	415,209	85,615	500,824	-
Capital leases - less current portion	2,585,000	-	2,585,000	-
<b>TOTAL LIABILITIES</b>	<b>13,152,072</b>	<b>1,907,431</b>	<b>15,059,503</b>	<b>657</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	16,405,243	83,807,414	100,212,657	-
Restricted for:				
Park improvements	1,953,980	-	1,953,980	-
Capital improvements	3,356,002	-	3,356,002	-
Police center debt service	400,906	-	400,906	-
Unrestricted	13,432,083	44,871,471	58,303,554	71,116
<b>TOTAL NET ASSETS</b>	<b>35,548,214</b>	<b>128,678,885</b>	<b>164,227,099</b>	<b>71,116</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 48,700,286</b>	<b>\$ 130,586,316</b>	<b>\$ 179,286,602</b>	<b>\$ 71,773</b>

See accompanying notes

CITY OF MERIDIAN, IDAHO  
STATEMENT OF ACTIVITIES  
Year Ended September 30, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General government				
Administration	\$ 1,550,727	\$ 256,906		\$ -
Public safety				
Law Enforcement	5,209,504	481,247	58,435	1,583
Fire Department	3,198,181	860,522	7,549	34,830
Parks and Recreation	960,117	73,707	-	2,107,697
Community Planning and Development	2,397,790	4,270,694	-	-
Interest on long-term debt	137,050	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	13,453,369	5,943,076	65,984	2,144,110
<b>BUSINESS-TYPE ACTIVITIES</b>				
Water and wastewater	8,306,867	9,671,657	6,878,907	9,545,497
TOTAL BUSINESS-TYPE ACTIVITIES	8,306,867	9,671,657	6,878,907	9,545,497
TOTAL PRIMARY GOVERNMENT	\$ 21,760,236	\$ 15,614,733	\$ 6,944,891	\$ 11,689,607
<b>COMPONENT UNIT</b>				
Downtown development	\$ 68,449	\$ -	\$ 113,283	\$ -
General revenues				
Shared revenues				
Property taxes, levied for general purposes				
Franchise fees				
Sales tax and other governmental				
Unrestricted investment earnings				
Net increase (decrease) in fair value of investments				
Miscellaneous				
Gain (loss) on sale of fixed assets				
Transfers - internal activities				
TOTAL GENERAL REVENUES AND TRANSFERS				
CHANGE IN NET ASSETS				
NET ASSETS - BEGINNING				
NET ASSETS - ENDING				

See accompanying notes

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (1,293,821)	\$ -	\$ (1,293,821)	\$ -
(4,668,239)	-	(4,668,239)	-
(2,295,280)	-	(2,295,280)	-
1,221,287	-	1,221,287	-
1,872,904	-	1,872,904	-
(137,050)	-	(137,050)	-
(5,300,199)	-	(5,300,199)	-
-	17,789,194	17,789,194	-
-	17,789,194	17,789,194	-
(5,300,199)	17,789,194	12,488,995	-
			44,834
7,162,390	-	7,162,390	-
736,722	-	736,722	-
2,149,997	-	2,149,997	-
501,338	1,132,288	1,633,626	-
(56,420)	(17,084)	(73,504)	-
49,457	20,052	69,509	-
84	(8,298)	(8,214)	-
308,815	(308,815)	-	-
10,852,383	818,143	11,670,526	-
5,552,184	18,607,337	24,159,521	44,834
29,996,030	110,071,548	140,067,578	26,282
<u>\$ 35,548,214</u>	<u>\$128,678,885</u>	<u>\$164,227,099</u>	<u>\$ 71,116</u>

See accompanying notes