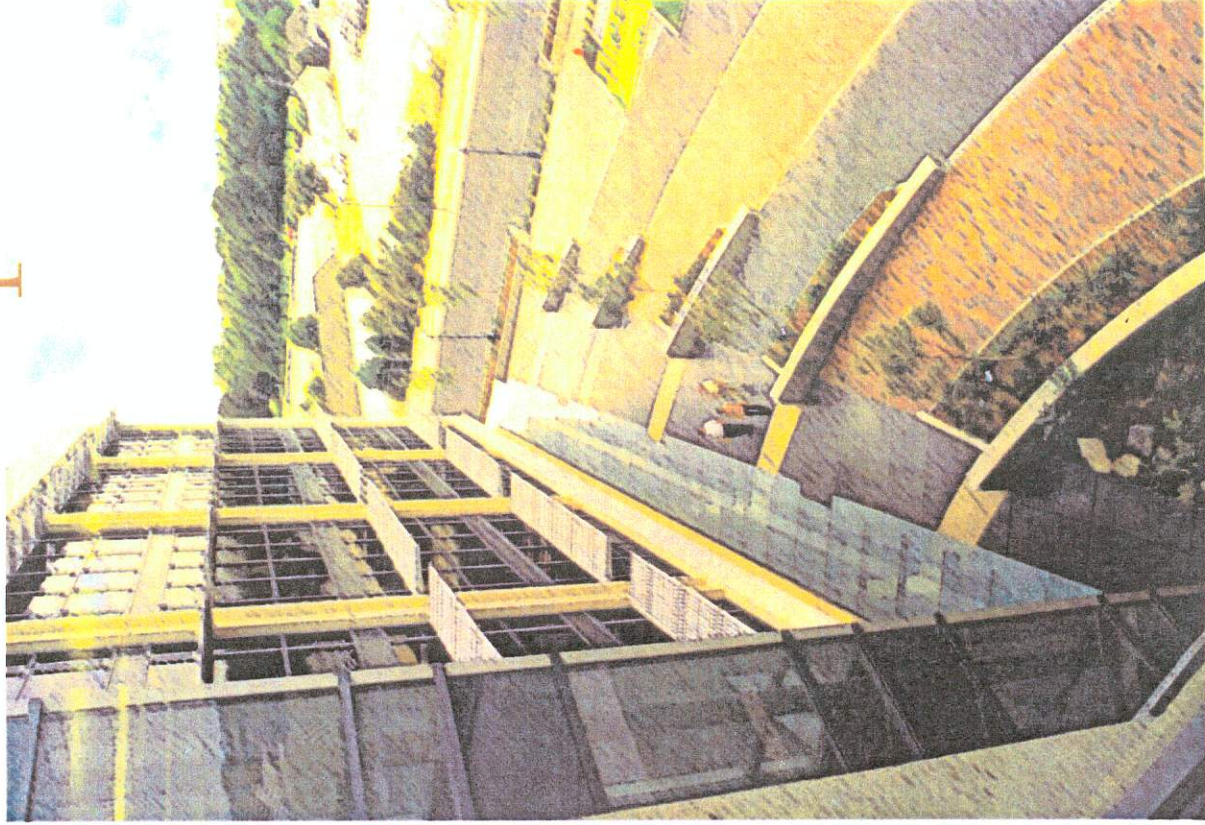


Capital City Development Corporation



2004⁶
Annual
Report

To: CCDC Board of Commissioners
Boise City Mayor and Council

From: Kevin McKee, Chair, CCDC Board of Commissioners
Phil Kushlan, CCDC Executive Director

Subject: Annual Report for Calendar Year 2004

Date: March 15, 2005

The year 2004 saw a significant amount of activity and a number of successes in downtown Boise and at Capital City Development Corporation. As the city's redevelopment agency, CCDC typically is involved in a wide range of endeavors, and the past year is no exception. Among the biggest stories of the year for the agency was the revision of the River Myrtle district master plan and boundaries, and the inclusion of the historic Old Boise area of downtown in the new River Myrtle-Old Boise District. This now allows the agency's redevelopment tools to be used to preserve and enhance that area's unique character. In 2004 the Parking Task Force presented its recommendations to the CCDC Board of Commissioners and the main one, the First Hour Free program, was quickly implemented and has already proven successful. The Idaho Water Center, another major project in the Courthouse Corridor, was completed and as of this writing is fully leased. The planning approvals and financing came together for the large BoDo retail project south of Front Street, and new buildings are rapidly taking shape there. Fall for Boise, a bold program to celebrate the arts and culture in Boise, was inaugurated last year and could well emerge as a festival that defines this city. CCDC's application to the EPA Brownfields program was successful, and the agency has become one of the key players in the state in this new arena of environmental remediation and redevelopment. Finally, the new CCDC Business Strategy demonstrates the agency's commitment to a sound and consistent approach to partnerships with the private sector in downtown redevelopment.

This report describes these and other highlights of the year for the agency. We have arranged the report so that the agency's top stories appear first: ongoing and completed projects as well as new initiatives. Sections devoted to investments in downtown development projects, in arts and culture, and parking and facilities describe the agency's tangible commitment to the character and vitality of downtown Boise. The financial section is taken from the agency's financial audit report. At the end is the section titled Project Review, a summary of all development projects within Boise's urban renewal districts that were referred to us by Boise City for review and comment.

The year also brought changes within the board and staff. Boise Mayor Dave Bieter nominated and the city council confirmed the board appointment of Pat Shalz, commercial real-estate specialist with Thornton Oliver Keller. Pat brings the number of board members to a total of nine, the maximum permitted in state statute. Staff departures and reorganization have resulted in a reduction in the overall number of regular employees. Some positions are being filled on an interim basis and generally the agency staffing situation is being realigned to better match anticipated work demand.

We are pleased to present this report for your review. It represents a summary of the agency's activities and financial status in the past year. If more detail on these or other aspects of CCDC's work is desired, it may be found at the Web site (www.ccdcboise.com). If we can offer any further information on anything in this report or about CCDC in general, please contact us.

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LEADERSHIP

The Capital City Development Corporation Board of Commissioners normally meets on the second Monday of every month. Meetings are held in the CCDC conference room, on the fourth floor at 805 W. Idaho St., Boise. All meetings are open to the public and meeting agendas are posted on the agency Web site at www.ccdcboise.com. Commissioners are pictured here along with their term expiration dates and e-mail addresses.



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2004 HIGHLIGHTS

River Myrtle—Old Boise District

In 2004 the city's largest urban renewal district got a little bigger. The River Street–Myrtle Street Urban Renewal District is now the River Myrtle–Old Boise Urban Renewal District. The new district gained about 100 acres, including the Old Boise commercial area, to total around 340 acres. This expansion caps a process that began about five years ago, when several Old Boise property owners approached the agency with the idea of using redevelopment tools in this important part of downtown. Through the master planning process it was determined that adding the relatively small Old Boise–Eastside study area to the existing River–Myrtle district would bring the financial strength of a larger district to benefit both the new area and the original district.



C. W. Moore Park is now part of the River Myrtle–Old Boise district.

The new district was approved by the CCDC Board of Commissioners in August and by the Boise City Council in November. The action amends the River Street–Myrtle Street master plan and district boundaries in place since 1994. Besides the Old Boise–Eastside area, the new district added several other parcels of land, including the Boise City Library, Log Cabin Literary Center and the Shoreline Technical Center at Americana and Shoreline avenues. Two master plans were created for the new district, the River Street–Myrtle Street Master Plan and the Old Boise–Eastside Master Plan. Both plans are available at the CCDC Web site or from the office. The amended district is significant because it means CCDC's redevelopment toolkit can now be used to help preserve and enhance the unique character of Old Boise and the new areas. The master plans present an overall development concept for each area, with design and development guidelines, implementing actions, capital investments and streetscape standards. The inclusion of Old Boise, Eastside and other areas in the River Myrtle–Old Boise Urban Renewal District furthers the long-standing commitment that CCDC and Boise City have to downtown.

Idaho Water Center

The latest addition to the Ada County Corridor complex is the Idaho Water Center at the corner of Broadway and Front Street. The Water Center is a multitenant office, classroom and laboratory project managed by the University of Idaho. The \$54.7 million, 225,000-square-foot center houses most of UI's Boise programs and the offices of the Idaho Department of Water Resources. The Idaho Water Center gets its name from the collocation of several water research and policy programs, including UI's ecohydraulics program and the Idaho Water Resources Research Institute, along with the water research programs of the U.S. Forest Service and the entire Idaho Department of Water Resources. By summer the Forest Service and the Boise office of the CH2M Hill engineering firm are scheduled to move in at which time the building will be fully occupied.

CCDC participated in the Water Center through the construction and operation of the underground parking garage serving the center and the Civic Plaza Apartments. The apartments occupy two mixed-use buildings on Front Street between the Water Center and the Ada County Courthouse. The 155-unit west apartment building was completed and leased in 2003. The east building was completed in July 2004 and brought 144 new apartments online. Virtually all 299 units are leased.

First Hour Free

The best things in life are free. That's the conclusion of more than a year's worth of effort by a task force of downtown parking stakeholders which culminated in the implementation of a new "First Hour Free" parking program on March 1, 2004. The program was intended to provide financial and operating stability to CCDC's downtown off-street parking system, and an attractive option to visitors wanting to park close to their destinations. The first-hour program replaced the former retail validation program. Rates after the first hour were adjusted to \$1.50 an hour, to a daily maximum of \$12. Monthly rates were raised to \$79. These rates are expected to remain in effect through 2007. A focused marketing campaign and direct contact with known customers resulted in a smooth transition.



The Idaho Water Center opened in September.



Program results appear positive. Preliminary calculations for the program's first ten months indicate that visitor attendance increased nearly 18% (69,094) over the same period last year; gross revenues were also up 18%. The parking system's only downward note is that 11% of our monthly customers left the system due to the removal of the Bannock Garage, corporate downsizing and businesses moving or relocating their employees to other parking facilities.

BoDo

The largest private development in Boise in many years broke ground in 2004 and as of presstime is moving ahead at an accelerated pace. Known as BoDo, for Boise Downtown, the project encompasses the four-block area south of Front Street formerly called the Eighth Street Marketplace. The new mixed-use project adds 53,830 square feet of office condominiums, 135,204 square feet of retail space, a multiscreen cinema, a 186-room hotel and a 360-space parking garage to the retail and office buildings of the old Marketplace. The project will also reopen Broad Street from Eighth to Capitol Boulevard and re-establish vehicular access from Eighth to Front Street.



BoDo site work in September 2004.

The ambitious construction schedule has new buildings expected to open in fall 2005. The Sycamore Building, which wraps around the City Centre Garage and the Foster Warehouse, is expected to house office, retail and restaurant tenants. More offices and retail, along with the cinema, will open in a new three-story complex across Eighth Street. A new public parking garage located on the northwest corner of Capitol Boulevard and Myrtle Street will open simultaneously with the retail and cinema projects. The 11-floor hotel, along with ground floor retail, wraps the garage, and is scheduled to open in May 2006.

CCDC is participating in the project through funding of the public parking garage and streetscapes. The agency and BoDo Partners signed an owner participation agreement in November and bonds for the public share of the project sold in December. Total new investment is expected to be over \$60 million with \$7.25 million in public funds.

Businesses with commitments to occupy space in the project include national chain restaurant PF Chang's, retailers Ann Taylor Loft and Jos. A. Banks, hoteliers Hampton Inn Suites and the local office of the commercial real-estate firm Colliers International.

Fall for Boise

When representatives from CCDC, the Office of the Mayor, Downtown Boise Association, Boise City Arts Commission and others got together to consider a festival promoting Boise, one point quickly became clear. The event should begin in September, building on the many events and activities already in existence. Thus began Fall for Boise, an umbrella program celebrating the best of Boise's arts and community. Organizers coined the name, designed a logo, published a brochure/calendar and Web site and solicited local media sponsorship. The result was a great success and the festival appears poised for growth.

Mayor Dave Bieter kicked off Fall for Boise at the City Arts Celebration, an event cosponsored by CCDC that showcases performing arts organizations in Boise (see p. 18). In addition, CCDC contributed to marketing the festival and production of Fall for Boise banners placed on historic light poles throughout downtown. Festival ads appeared in local media and brochures were distributed to all downtown hotels, merchants and beyond to the "drive" market.

Fall for Boise is not just for Boiseans but is seen as an example of cultural tourism, and one of the goals is to bring new people downtown. Tracking the festival's success is an important part of planning for next year, and participants are gathering statistics to help the project grow. One example of the festival's success is suggested in CCDC parking garage activity: revenues for this September were nearly 12% higher than the previous year.

Building Code Amendment

As part of its effort to increase housing density in downtown Boise, CCDC was a leading advocate of a building code amendment promoting mixed-use, high-density housing that was approved by the Boise City Council in August 2004. The new code allows up to five floors of Type V-A wood-frame construction above structured parking; one floor more than the previous code. This change offers the opportunity to build more units on a given site than before, encouraging more urban-style housing options at a lower cost per unit.



Brownfields

CCDC has added a new twist to its work of improving the environment of downtown Boise. With the award in 2004 of one of the first three grants in Idaho from the Environmental Protection Agency's Brownfields Assessment program, CCDC has begun a campaign to remove barriers facing brownfield redevelopment. The EPA defines a brownfield as any property that is challenged by contamination or the *perception* of contamination. CCDC's work plan for the initial \$200,000 award to assess contamination in the urban renewal districts is to mount a public awareness program and develop an inventory of potentially contaminated sites. Sites will then be assessed and cleanup plans developed if needed. As of this writing the agency has selected an environmental consulting team to carry out the work plan.

One of the primary goals of CCDC's brownfield strategy is to build alliances with other agencies and with landowners interested in redevelopment of underperforming properties. Already, we have formed strong partnerships with the EPA, the Idaho Department of Environmental Quality, which administers a large brownfield program of its own, and with various city, regional and state governments.

ULI District Council Formation

One of the national organizations most closely associated with responsible urban real-estate development is the Urban Land Institute. CCDC has been a member of ULI for years and this year supported local efforts to form a district council for Idaho. The agency helped fund a seminar in December that featured a panel discussion on urban centers, infill development and growth issues. The successful effort resulted in formation of the ULI Idaho District Council. The council secured a visit in February by a ULI Advisory Services Program panel that will review growth in the Treasure Valley and address future development, land use and planning opportunities.



Wells Fargo Building at Main Street.

Doing Business with CCDC

In May 2004 the CCDC board adopted a business strategy designed to help the agency implement goals it identified in its 2000 Strategic Plan. The 2004 Business Strategy outlines development targets for the agency for the next ten years. Put another way, regarding the agency mission, the 2000 Strategic Plan describes the *what* and the business strategy describes the *how much* and *when*. Because the primary tool available to CCDC for downtown redevelopment is tax increment financing (TIF), the business strategy set guidelines for TIF investments, and a new, more rigorous project review process to use when considering the use of TIF.

The project review process is designed to create a more consistent and systematic way of reviewing and processing requests for CCDC participation in redevelopment projects. The process is administered by the Project Review Committee or PRC, which consists of CCDC senior management and planning and development managers. The goal of the PRC is to provide a businesslike way to review and evaluate projects brought to CCDC by developers who are requesting agency investment. The project review process is described in a new handbook titled *Doing Business with CCDC*. This publication is an introduction to CCDC and an explanation of the tools the agency can bring to downtown redevelopment. It was developed to communicate our mission and our process to potential developers and partners. It emphasizes that CCDC is much more likely to invest in projects that move the agency's business strategy, downtown redevelopment goals and urban renewal plans forward. For developers who are ready to submit a project for CCDC consideration, a project proposal application was created. The three documents—the 2004 Business Strategy, *Doing Business with CCDC* and the project proposal application—are available from the office.



The BoDo development includes significant CCDC participation.

CONTINUING PARTNERSHIPS

Downtown Housing Initiative

One of the top recommendations from the Boise Smart City Initiative was to increase the number of living options available in downtown Boise.

Residents bring the kind of 24/7 vitality that the Smart City committees wanted to see in downtown, but the availability of living opportunities in downtown Boise is limited. To address this lack of residential options, CCDC created the Downtown Housing Initiative.

The housing initiative began with assessing the size of the market and the level of interest for living in downtown Boise so that CCDC could make a credible case for investment in urban-style housing when talking with landowners and potential developers. The first step was a 2003 downtown housing analysis that made it clear there is significant potential for housing development in downtown Boise based on national trends, local demographics, the size of the employment base and the availability of amenities.

The second step was the Boise Downtown Housing Survey.

In March of 2004, CCDC hired Clearwater Research of Boise to conduct a survey designed to quantify local interest in living downtown, and the kinds of options and locations that would be important to those considering such a move. The survey consisted of two parts, a scientific survey, by telephone, of one- and two-person households in Boise (400 households) and in Ada County (200 households), and an informal Internet and paper survey distributed to workers in the downtown business district, available for anyone to fill out.



Residential condominiums proposed for 13th and Myrtle streets.

The survey data suggested around a third of the people interviewed by telephone and two thirds of the people completing the informal survey would consider living in downtown Boise. Based on the scientific sample collected through the telephone survey, Clearwater Research estimates that there are 5,000 one- and two-person households potentially interested in moving to downtown Boise in the next two years providing the product and price range are right. Already this survey has proved useful to developers seeking to building residential projects, and to lenders who are interested in financing them.

Downtown Boise Mobility Study

The six-agency partnership working on the Downtown Boise Mobility Study for the past year and a half released its draft report at the end of 2004. The DBMS is intended to analyze long-term transportation needs for downtown Boise and to design a transportation system that meets those needs. The work has involved Valley Ride, Ada County Highway District, CCDC, Boise City, Boise State University, Idaho Transportation Department, COMPASS and consultants ARUP, San Francisco. The draft report that emerged charts sustained growth and vitality for downtown Boise through 2025. It suggests the transportation system, as currently designed, is reaching its limits, and more must be done to expand transportation choice downtown and throughout the region.

The DBMS plan makes a number of recommendations about integrating land use and transportation, how to phase and pay for implementation steps and selection of an agency to take the lead. Three project areas are cited for special attention: a downtown circulator, a multimodal center and the Front and Myrtle couplet. Other important aspects of the study include a reaffirmation of the downtown Boise vision, a market and growth forecast and a traffic computer model to simulate current traffic conditions as well as to depict future demand. The draft report is available at the Valley Ride Web site, www.valleyride.org/downtownmobility.htm.

Boise Tower

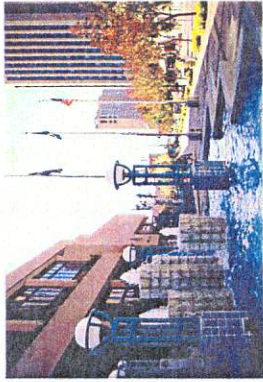
The Boise Tower project, designed as a 25-story, 110-unit mixed-use retail, office and residential tower, continues to be an agency priority. When the current developer failed to meet conditions of the disposition and development agreement, CCDC declared the developer to be in default of the agreement and filed suit to regain title to the property. That process continues its way through the courts. Anticipating a favorable outcome, the agency released a request for qualifications for a new developer for a project substantially similar to the original Boise Tower plan. The RFQ resulted in the selection of Unico Properties of Seattle, in association with the Oppenheimer Development Corp. of Boise, and that team is prepared to restart the project following resolution of the legal issues. In the meantime, CCDC reinstalled the sidewalk and historic light poles on Eighth Street and put up a screening wall that became a canvas for a public art project (see p. 18).



Downtown Boise viewed from City Centre garage.

Geothermal Report

Boise is home to the nation's oldest geothermal heating district, and it has the only geothermally-heated state capitol building. Most of central Boise's government and commercial buildings use geothermal energy, yet many people are unaware that the resource exists. In order to find out more about the geothermal system in Boise and how it could be used as a development incentive, CCDC commissioned a report from the local office of Geo Engineers. The report suggested several ways in which CCDC might help the city with promotion and expansion of its geothermal system. With city geothermal staff and members of the Smart City Initiative Technology Committee, we are exploring ways to implement some of these recommendations. The full text of the GeoEngineers report is available at the downloads section of our Web site, www.ccdcboise.com/downloads.htm.



Boise's City Hall and fountain are heated with geothermal water.

Pioneer Corridor

Development of the Pioneer Corridor, based on the historic pedestrian connection between downtown and the Boise River, is an ongoing agency emphasis. The corridor vision is to improve the existing Pioneer Walkway, so it becomes an inviting bicycle and pedestrian link and an anchor for new mixed-use urban development. CCDC's design team for the corridor project, led by Walker-Macy landscape architects of Portland, met with landowners and other stakeholders during the year. The team continues to refine the design and to advise us on projects in the neighborhood. This year we contracted with Tealey's Land Surveying in Boise to produce a high-quality physical survey of the existing pathway and its environs. This survey has proved to be a valuable tool several times already, including with the negotiation of a land easement purchase beside the 11th & Myrtle Center.

CCDC recently applied to an Idaho Transportation Department funding program for help with the investment needed to make the improvements to the pathway. These public improvements will in turn create leverage for the significant private investment the overall redevelopment will require. Results of the application process are expected in the spring.

Smart City Initiative | Creative Cities

The Boise Smart City Initiative, formed in 2000 by the Boise Mayor's Office and CCDC, continues to influence much of the agency's work. The brownfields program, urban housing initiative and ongoing efforts to improve transit options and establish a downtown circulator all had their genesis in the Smart City project. In December the agency supported a related project sponsored by Boise State University in cooperation with the Idaho National Laboratory and the Boise Mayor's Office. The Creative Cities Workshops brought together people from high-tech businesses, education, government and the arts. The program featured consultants from The United Kingdom and Sweden who work with localities around the world on making places that are attractive to the "creative economy." Workshop participants have met to plan follow-up activities, possibly including ongoing workshops, networking among the sectors and Web-based sharing of pertinent news and events.



Communities in Motion

In partnership with COMPASS, the local metropolitan planning organization, CCDC sponsored the visit in May of William Hudnut, a senior research fellow for public policy at the Urban Land Institute. Hudnut is an author and speaker dealing with urban growth issues, and has been the mayor of Indianapolis, a U.S. congressman and a clergyman. His most recent book is *Cities on the Rebound: a Vision for Urban America*, in which he promotes dealing with diversity, encouraging sustainable development, finding alternatives to sprawl, managing technological change, persuading cities and suburbs to collaborate, improving government efficiency, and urging citizens to participate as advocates, rather than adversaries. Hudnut's visit was part of COMPASS' Communities in Motion project. In addition to speaking at the public forum, Hudnut also met with the COMPASS board, the Regional Transportation Task Force and CCDC staff.

DOWNTOWN INVESTMENTS

Plaza 121

In late summer 2004 Tomlinson & Associates began an ambitious renovation of the former First Security office building at Ninth and Idaho streets. The project includes a 6,400-square-foot, 3-story building addition with elevator tower and lobby, new entries, windows and modification of the plaza. This substantial project provided an opportunity to construct urban streetscape improvements at the leading edge of the Westside Downtown District. CCDC is participating in the project through an agreement to reimburse up to \$265,000 for streetscape improvements and canopies on the building's perimeter. The agency's investment leverages an attractive project expected to increase pedestrian interest in this part of Westside. The project supports our goals for creating mixed use, activating streets and encouraging pedestrian activity. Plaza 121 retains the small open plaza that has served as a relatively quiet spot in the midst of downtown, and will improve the space with a ground-level and outdoor cafe.

11th & Myrtle Center

F & C Corporation is constructing a 3-story, 24,500-square-foot office building where the existing Pioneer Walkway intersects Myrtle and 11th streets. The approved Pioneer Corridor concept envisions a broad public plaza at this intersection. As part of Boise City's design review process, the developer worked with the agency to adjust the siting of the building and provide space for the plaza and improvements to the corridor. In December 2004 CCDC approved a term sheet that anticipates an agency investment of up to \$125,500 to cover costs of the public access easement for the Pioneer Corridor, improvements to the easement and the streetscape on 11th Street.



Artist's rendering of the 11th & Myrtle Center as seen from 11th Street.

The Front 5

One of the more exciting projects of 2004 is developer Oaas-Laney's renovation of the industrial building at Fifth and Front streets. The Front 5 project is the remodeling of a 1970 addition to a warehouse originally part of Boise's historic industrial rail district. The Front 5 project includes the addition of a mezzanine level to the building, new glass entries on Front and Broad streets, over 64 new windows, new skylights and an exposed aggregate floor. The new mezzanine level increases the building's capacity from 12,600 to 16,700 square feet. The building will be one of the first in Idaho to be LEED certified (for Leadership in Energy and Environmental Design, a national standard for developing high-performance, sustainable buildings).

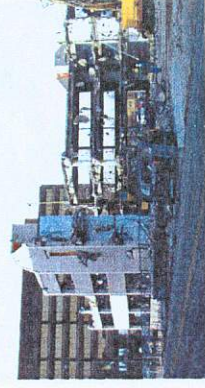
CCDC has approved an agreement to reimburse the developer for \$65,000 for streetscape improvements on Front and Broad streets. The agency also expects to participate in a public art investment with the developer, through the Boise City Arts Commission. The Front 5 reimbursement agreement encourages a well-designed project that maintains the historic industrial character of the former rail yard along the Connector, while providing an appropriate transition in use and form from the downtown core to the neighborhood east of Sixth and south of Broad Street.

Bannock Garage/14th Street

We said goodbye to an old friend as the Bannock Garage was taken down to make room for a new 11-story office building under development by the Christensen Corporation. The garage, built in 1963 on the northwest corner of 10th and Bannock streets, was exchanged last year with the Christensen Corporation for the former Boise Heating and Air Conditioning property at 14th and Idaho streets. The agency expects the new property to serve as a catalyst for an envisioned 14th Street Village, a pedestrian-friendly residential and retail neighborhood in the Westside district.



The Front 5 building on the corner of Front and Fifth streets.



Bannock Garage yields to new development in the Westside district.

ARTS & CULTURE

Art on the Wall

When it became clear that efforts to revive the stalled Boise Tower project were not headed to easy resolution, CCDC decided to use the interim as an opportunity to “make lemonade from lemons.” The protective screening wall erected by the agency on the Eighth Street side of the construction site offered an ideal place to present art works. We contracted with the Boise City Arts Commission to manage the project. BCAC selected four professional and two emerging artists to work with students in five local schools to produce murals that could be placed on the wall. Asked only to work with the theme of urban development in Boise, the students produced a total of 15 4’x8’ panels. The project was hailed by art teachers from the schools as a valuable art and civics lesson, and the results have brightened up this corner of town considerably. The panels will be removed to other locations when construction begins.



Art became the focal point at the Boise Tower construction site.

Performing Arts Investments

This year, two performing art venues supported by CCDC essentially doubled in scope. The City Arts Celebration, the annual showcase for performing arts organizations, grew from an evening-only to an all-day event, and was used to kick off the inaugural Fall for Boise festival. Managed by BCAC, City Arts Celebration is held in the Grove Plaza, and this year involved about 30 organizations and attracted an estimated 3500 people, more than double last year’s audience.



The Boise Highlanders kick off the 2004 City Arts Celebration.

Performing Arts at the Market is the other program for which CCDC provides major support. The program was initiated by CCDC and BCAC in 2003, in partnership with the Capital City Public Market. It began as a pilot to bring performing artists to the hugely successful farmers’ market that takes place on CCDC-owned Eighth Street from Bannock Street into The Grove. The response was overwhelming, so last year the program was doubled, with performing arts now an integral part of the mix of produce, crafts and visual arts on display every Saturday from April to November. Last year 56 different acts—musicians, singers, dancers, jugglers and clowns—performed during the season at designated locations throughout the market.

Fulton Street Theater

CCDC's oldest significant investment in the performing arts in Boise is through a 10-year contract with the owners of the Fulton Street Theater in the Cultural District. This agreement gives the agency first option to purchase the building should the owners decide not to continue its use as a performing arts venue. Midway through the contract period, it appears that option is in no danger of being exercised. A midcourse review prepared by BCAC and presented to the CCDC board shows the facility is functioning beyond expectations. Home to the Boise Contemporary Theater, and housing offices of the Idaho Shakespeare Festival and Balance Dance Company, the facility is operating almost at capacity. In BCAC's study the Fulton Street Theater compares very favorably with similar theaters throughout the Northwest and the country, in terms of audience and artists served, number of days and nights booked and bottom line. From the agency's standpoint it is clear that its investment in developing the Cultural District is paying off well. Last year over 17,000 people attended events or programs at the theater.

PARKING & FACILITIES

Eighth Street Fire Lane

In early April the agency-owned section of Eighth Street between Bannock and Main underwent a major transformation. The west side of the street was designated a fire lane, with parking prohibited to allow public safety vehicle access in emergencies. Parking meters were installed on the east side of the street to facilitate short-term parking. These changes were designed to address public safety concerns and to better accommodate visitors to businesses along the street. Deliveries to businesses along the street were encouraged to occur in the early morning hours. These adjustments have generally been well received by most users of the street and are expected to continue into the foreseeable future.



Boise Fire Dept.'s demonstration drill at the Idaho Building on Eighth Street.

FINANCIAL REPORT

The following information is taken from the CCDC 2004 financial audit. It describes activity in two fund categories which are reviewed separately. The governmental category refers to public funds generated primarily by tax-increment financing (TIF) and by grant funding. The business-type category refers to the agency's parking system, operated as a business.

Net Assets

The agency's combined net assets decreased \$945,826, or 6.7%, between 2003 and 2004.

Net assets of the agency's governmental activities decreased \$1,292,378. In the governmental funds, the tax increment districts recorded a fund balance decrease of approximately \$1,400,000 as compared to a decrease of approximately \$1,575,000 for 2003.

Net assets of the agency's business-type funds, comprising the parking system, increased by \$346,552. There are two separate parking funds: Central District with an increase in net assets of \$669,209 and River-Myrtle with a decrease in net assets of \$322,657.

Revenue and Expenses

Governmental Activities

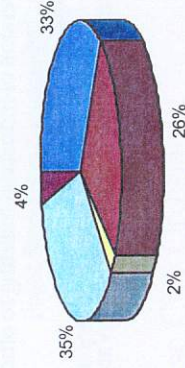
The tax increment financing fund recognized slightly higher tax increment receipts in 2004 as compared to 2003 with a decrease in miscellaneous receipts exceeding \$200,000. Operating cost increased approximately \$500,000 and transfers-out for debt (from Central District TIF into Central District Parking) was reduced by about \$995,000.

The Community Development Block Grant fund had recorded a receivable of \$255,000 from Boise City in 2003 for reimbursable expenses that was deemed ineligible for payment thus creating a write-off and deficit fund balance.

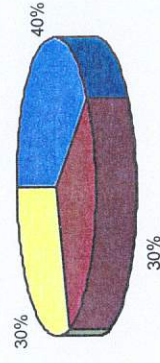
Transfers-in in the Operations fund exceeded the expenses in the fund by \$547,000 (compared to \$556,000 for 2003) and a \$40,000 transfer-in in the Park and Ride fund (from Central District Parking fund) with \$196,000 increased debt expensed for the County Complex debt comprises the balance of the \$1,292,378 net decrease in governmental fund balance.

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2003-2004
	2003	2004	2003	2004	2003	2004	
Current and other assets	69,255,632	69,429,585	9,725,919	8,207,505	78,981,551	77,637,090	-1.70%
Capital assets	1,633,227	1,610,305	24,004,881	25,110,596	25,638,108	26,720,901	4.22%
Total assets	70,888,859	71,039,890	33,730,800	33,318,101	104,619,659	104,357,991	-0.25%
Long-term debt outstanding	64,294,040	64,211,315	19,716,468	19,170,480	84,010,508	83,381,795	-0.75%
Other liabilities	5,866,335	7,394,469	645,933	432,670	6,514,268	7,827,139	20.15%
Total liabilities	70,162,375	71,605,784	20,362,401	19,603,150	90,524,776	91,208,934	0.76%
Net assets							
Invested in capital assets net of related debt	1,633,227	1,610,305	8,550,194	8,484,295	10,183,421	10,094,600	-0.87%
Restricted	1,360	(255,206)	0	0	1,360	(255,206)	-18865.15%
Unrestricted	(908,103)	(1,920,993)	4,818,205	5,230,656	3,910,102	3,309,663	-15.36%
Total net assets	726,484	(565,894)	13,368,399	13,714,951	14,094,883	13,149,057	-6.71%

Source of Funds



Expenses



Business-Type Activities

The Central District reported net revenue over expenditures of approximately \$1,025,000 for 2003 as compared to approximately \$669,000 for 2004. The Central District fund parking-related revenue increased \$241,500 from 2003 to 2004. Central District also recognized a gain on the sale of the Bannock Garage of \$263,000. There was a net decrease in operating expense in the Central District due to the fact that while the Parking Operator expenses increased by nearly \$100,000, the annual Grove Street Garage rebate to Boise City was not paid (approximately \$245,000 for 2004). Transfers-in for debt expense was reduced by \$995,000 from 2003.

River-Myrtle parking related revenues remained flat from 2003 to 2004. Bond related proceeds of nearly \$1,950,000 were reported in 2003 with no comparable proceeds in 2004. Parking Operator costs increased by \$70,000 and the operating lease related to the parking lease agreement for the Avenue A Garage increased expenses resulting in expenses exceeding revenues.

PROJECT REVIEW

CCDC receives referrals from Boise City on development projects proposed in downtown Boise's urban renewal districts and code and policy changes affecting downtown Boise. CCDC evaluates how these projects and policy decisions conform to urban renewal plans and makes recommendations, including conditions of approval, to apply to specific projects. Projects and city policy changes reviewed during 2004 are listed here.

River Myrtle—Old Boise District

- 11th and Myrtle Streets; 26,000-square-foot, 3-story office building; 11th & Myrtle West, LLC.
- 1205 W. Front Street; interim parking lot for The Car Park, Inc.
- 500 Broad Street; conversion of industrial building to office use with façade and site improvements; The Front 5.
- 10 Water Center; revised landscape design for Idaho Water Center office building.
- 10 Water Center; design of the Water Center office building to accommodate an executive training center.
- 13th & Myrtle; mixed-use office and residential project consisting of 32,000 square feet of office and 42 residential condominiums; The Hosac Company, Inc.
- 5th & Grove Streets; interim parking lot by Old Boise L.L.C.
- 420 W. Main; modification to parking reduction/conditional use permit for Veltex Building.



Veltex Building in Old Boise.

Westside Downtown District

- 1202 W State (12th & State); variance and design review applications to construct repair garage addition for Tune Tech.
- 10th & Bannock; conditional use/height exception and design review applications for 12-13-story-office building by Christensen Corporation.
- 10th & Bannock; conditional use application for drive-through banking window as part of Christensen office building.
- 1501 W Main St.; façade remodeling and landscaping for Rug Décor.

- 11th & Main; Royal Plaza mixed-use building consisting of ground-floor retail, structured parking and four floors of residential condominiums; R.S. Hosac, Inc.
- 1422 W Main; storage addition for Big O Tires.
- 512 N 13th Street; conditional use permit and design review applications for conversion of residence to office use.
- 115 N 18th Street; parking agreement to allow off-site parking for conversion of single-family residence to duplex.

Central District

- 101 S. Capitol Blvd. (U.S. Bank parking lot); variance and design review applications to reconstruct parking lot.
- 245 S. Capitol Blvd. (Grove Hotel); gazebo and terrace improvements at the Grove Hotel.
- 750 W. Main; remodeled façade for Square Restaurant.
- Front Street and Capitol Blvd.; design review of electronic reader board for the Bank of America Centre.

Boise City Ordinance Revisions

- Comprehensive Plan Amendment to adopt Boise Comprehensive Parks & Recreation Plan.
- Amendment to Boise City sign code regarding temporary signs.
- Zoning code amendment by Idaho Power to modify standards for electrical transmission lines.
- Code amendment to allow drive-through facilities in C-5 zoning district (Central Business District zone).
- Code amendment to modify setback standards for parcels adjacent to I-184 (The Connector).
- Code amendment to allow up to five floors of wood-frame construction above structured parking.

Further information about CCDC can be found online at

www.ccdcboise.com.

Please direct any questions to:

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 208-384-4264

INFORMATION

PROJECT REVIEW

The project description and the project description of the project are as follows:

The project is a research project on the effects of the project on the project.

The project is a research project on the effects of the project on the project.

The project is a research project on the effects of the project on the project.

INFORMATION

The project is a research project on the effects of the project on the project.



CAPITAL CITY DEVELOPMENT CORP.

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