



2001 ANNUAL REPORT

**Presented
March 2002**



**To: CCDC Board of Commissioners
Mayor and City Council**

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

Subject: Annual Report for Calendar Year 2001

Date: February 28, 2002

We again welcome this opportunity to report to the Board of Commissioners of the Capital City Development Corporation and the City of Boise on the significant activities and accomplishments of the past year. 2001 proved to be a very active period. Major planning efforts were concluded including the Westside Downtown Urban Renewal Plan, the Pioneer Corridor Design Competition and the Boise Smart City Initiative. The largest capital project in the agency's history, the Ada County Courthouse Complex, was completed on time and within budget. The long-awaited Boise Tower project was under construction at year's end.

The current process of urban regeneration is one of collaboration and partnerships. No individual or entity possesses the resources, legal authority or organizational capacity to effectively implement our plans by itself. We have learned that our success is dependent upon the success of others and that partnerships work best when complementary strengths are brought to bear on a common vision. This philosophy has become a cornerstone of CCDC's approach to urban redevelopment.

The foundation established over the years by our predecessors coupled with the excellent planning initiatives recently completed and currently underway have set the stage for continued enhancement of the physical, cultural and social environments of downtown Boise. We appreciate the vision and support you have given our efforts and we look forward to 2002 as being yet another year of accomplishment on behalf of the entire community.

LEADERSHIP

The year 2001 is recognized as an active and productive year under the stewardship of a committed Board of Commissioners:

		<u>Term Expires</u>
Kevin McKee	Chairman	09/10/02
M. Jerome Mapp	Vice Chairman	04/04/05
Dale Krick	Secretary/Treasurer	05/30/04
Paula Forney	Commissioner	04/25/05
Cheryl Larabee	Commissioner	03/31/02
J. Philip Reberger	Commissioner	04/30/03
Dean Sorensen	Commissioner	01/30/02



NOTABLE ACCOMPLISHMENTS

Boise Tower Project



On June 25, 2001, Boise Tower Associates broke ground on a project that, when complete, will be a 25-story, 295-foot structure. The Boise Tower will feature 110 condominiums and penthouses, ranging from 1,100 to 3,800 square feet on the top 18

floors. Seven lower floors will consist of retail, privately owned secured parking, condominium offices and a floor devoted to recreation and social amenities.

As part of the Boise Tower's Web site, recent photos of construction may be viewed at any time. (www.boisetower.com)

County Courthouse Project

Construction of the 340,000-sq.-ft. Ada County Courthouse was completed in January 2002. This facility and its attendant parking and public plaza spac-



es represent approximately \$62,000,000 in public investment. This project, a joint public/private venture among CCDC, Ada County and the design/build team consisting of Civic Partners, Idaho and the Washington Group International exemplifies the positive results possible when the various resources and skills of the public and private sectors are combined in a mutually beneficial effort.

City Centre Garage

One of the agency's goals of pursuing its mission through partnerships was accomplished with the opening of the City Centre Garage. Although the garage opening was delayed several months, this cost-effective facility quickly exceeded the "break-even" point. The new facility adds nearly six hundred spaces to the downtown parking inventory and anchors the south end of the Central District. The addition of these spaces has virtually eliminated the waiting lists in our other facilities. The design of the garage structure anticipates adjacent development temporarily leaving an unfinished appearance on the north, east and south façades. When the supporting private development takes place, the parking structure will be fully masked inside the block with only the now-complete western façade visible.

Shuttle Lot Purchase

Acting as Boise City's agent, CCDC purchased a 4.8 acre parcel located at 25th & Fairview on which the Park and Ride Shuttle operation is housed. Boise City

provided the resources to effect the purchase and after substantial environmental cleanup, the purchase was finalized and the deed delivered to the city.

Pioneer Corridor Design Competition

One of the striking features of the River/Myrtle district is the Pioneer Walkway, which follows a historic route connecting the downtown and the Boise River. The Pioneer Corridor Design Competition, sponsored by CCDC, brought together landowners, developers, designers and government agencies to look at ways of redeveloping the existing pathway into a mixed-use corridor that would make this connection much more prominent and attractive and serve as a stimulant to public and private investment along its length. Don Stastny, of Stastny/Brun Architects in Portland, was retained as the competition advisor. Three design teams were selected to participate in the competition, and the submittals presented a wide range of creative ideas.

The jury selected the team headed by landscape architects Walker-



Macy, of Portland; with urban designers John Bertram and McKibben + Cooper Architects, of Boise; and civic artist Norie Sato of Seattle as having the winning design. CCDC is now working with the Walker-Macy team to develop a plan for phased implementation of this design. Work on implementation will involve property owners and residents in the River Street neighborhood where the pathway is located. Our aim is to extend the existing pathway into downtown so it connects the Boise River with the new Convention Center, Eighth Street Marketplace and the Grove.

Boise Smart City Initiative

This initiative is a project of the Office of the Mayor and CCDC to create a dynamic urban place in the River/Myrtle district, one that would be especially attractive to new-economy businesses. The goal is to design and construct a high-tech infrastructure in the



district along with more traditional urban renewal activities.

In 2000, the blue-ribbon Steering Committee appointed by the Mayor identified four areas for particular attention in transforming River/Myrtle: business and economic development; education; socio-cultural and urban design; and technology. Subcommittees on these topics were formed and during 2001, 50 dedicated Boiseans met and hammered out an overall vision for River/Myrtle and specific recommendations for the project, with the ultimate goal of an implementation strategy that will help guide redevelopment in this district and elsewhere. A final report to the City Council and CCDC Board from the Steering Committee is expected in March or April.

Smart City Forum

In concert with the Smart City Initiative, CCDC sponsored the Smart City Community Forum in June. Following opening remarks by Mayor Coles and CCDC Chair McKee, more than 100 Boise residents assembled at the Boise Centre on the Grove spent a day focusing on the issues presented by the evolving global economy partially stimulated by the telecommunications revolution. Supplementing the impressive level of local knowledge on this subject were two national keynote speakers. Dr. Richard Florida of Carnegie Mellon University and Weiming Lu, execu-

tive director of the Lowertown District of St. Paul, Minnesota, shared their views from a national and international perspective. Small group discussions augmented the work already done by the Smart City committees to develop recommendations to the CCDC Board and City Council on how the River/Myrtle district can be a model for innovative urban redevelopment.

Westside Downtown Urban Renewal District

On December 4, 2001, the Boise City Council adopted the Westside Downtown Urban Renewal Plan for a 47-block area in downtown Boise, and created the Westside urban renewal district and revenue allocation area. This district is more or less bounded by Eighth/Ninth streets on the east, Grove Street on the south, 16th/18th streets on the west and State/Washington streets on the north. This action concluded a nine-month effort to create a redevelopment master plan for the Westside Downtown district that included a series of community and property owner meetings, and work by a team of consultants and CCDC staff. The master plan envisions that Westside will become a new urban neighborhood over the



next 24 years with a lively mix of office, residential, retail, restaurants, hotels and entertainment. The master plan includes a real estate market strategy and an economic feasibility study that identifies public improvements totaling to \$61,884,000. Property tax increment generated in the Westside Downtown district would be the primary source of funding for these improvements. CCDC is now developing an implementation strategy with priorities for when these improvements will be done. These improvements are intended to trigger private investment that will add to the city's economic base.

Economic Impact Study

The investments made in the revitalization of downtown Boise have produced significant benefits to both the local and statewide economy. Additionally, state and local governmental revenues have been enhanced through increased sales and income taxes as spin-off benefits from the investments made within the Boise Central Urban Renewal District. Central District revitalization has sparked additional private investment in the surrounding community, further enhancing governmental revenues. Until this year, no assessment had been made of the broad economic benefits of our redevelopment efforts.

CCDC contracted with Boise State University to conduct such an analysis. The research employed empirical analysis of available data, a 95% in-person survey of downtown businesses and a state-recognized input-output model to determine the positive economic impact.

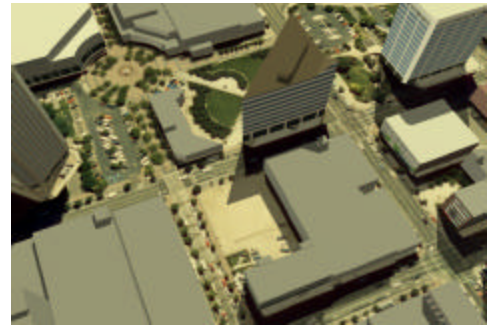
The report demonstrated that significant benefit has accrued to the state and local economies as well as increased local and state tax resources well beyond the property tax income previously identified. A copy of the full report is available from CCDC.

- \$38,535,199 public investment
- \$185,200,000 private investment
- leverage ratio nearly 5:1

Virtual Model of Downtown Boise

Sometimes a model is the best way to help people visualize existing conditions and future opportunities. As part of the Smart City project, CCDC contracted with Spatial Dynamics and later Visual Genesis to develop a computer-based, 3-D model of downtown Boise. It is based on existing geographic information system (GIS) data as well as new photographic modeling of buildings. The model can be used to

view downtown from any viewpoint, simulate what a future development project would look like, do massing and shadow analysis and other studies. The model is an evolving project. We are working on marketing applications and hope to give the model a greater presence on the agency's Web site.



OTHER ACCOMPLISHMENTS

Gateway East

In October 2000 Boise City purchased approximately 325 acres on the west side of I-84 between the Gowen Road and Isaac's Canyon (Eisenman Road) interchanges on I-84. The city anticipates commercial/industrial development of this area in some form and the creation of a gateway entrance to the city in order to achieve certain goals and objectives of its comprehensive plan. The Boise City Council requested that CCDC act as its agent in evaluating the eligibility of the city-owned property and the surrounding areas for formation of an urban renewal area. An eligibility report was prepared that concluded that the Gateway East Study Area met the criteria in Idaho State Code for undertaking an urban renewal project. The CCDC Board accepted this report on May 15, 2001, and the Boise City Council accepted it on June 12, 2001. The Boise City Council directed CCDC to commence preparation of a master plan for the city-owned land and adjacent properties in anticipation of forming an urban renewal district. City

Council also provided funding to CCDC for the preparation of a real estate market analysis to be used in development of the master plan. CCDC retained Leland Consulting Group to prepare this study, and the initial draft of the study has been received. We anticipate that the market analysis will be completed by March 2002.

Agency Marketing

First impressions are critical and in order to create a positive and effective organizational first impression, CCDC contracted with Boise-based Oliver Russell & Associates to develop an agency marketing strategy. The first step was to develop an agency-wide marketing plan. This led to the development of a presentation folder into which a variety of specialized materials can be inserted. This lends a consistent overall image to agency print presentations while allowing for maximum flexibility and timeliness. Upcoming steps in the strategy will include Web- and computer-based informational presentations. We expect to use these tools to market the city's vision for downtown, its current vitality, development opportunities in the urban renewal districts and the agency itself to a wide variety of audiences.

Arts Funding

CCDC has been a sponsor of public art since 1978 and a major funding source for the arts since 1999. In 2001, CCDC expended \$201,000 for arts programs. Highlights included expanding the public art



collection in downtown Boise in partnership with the city and Ada County by providing funds for "Boise Chinatown" by Dwaine Carver, "Homage to the Pedestrian" by Patrick Zentz, the fountain at the Ada County Courthouse and additions to the Boise Visual Chronicle. CCDC also contributed \$36,000 to the Fulton Street

Theater's capital campaign, a warehouse renovation project that supports creation of the cultural district, a goal of the River/Myrtle urban design plan. Contributions were made to the City Arts Celebration and the City Arts Fund. CCDC also funds one quarter of the salary for the city's public art program manager and the performing arts program manager.

Parking Reduction Overlay Zone

Staff from the Boise planning department and CCDC cooperated in a successful parking reduction overlay rezone project. The provision of off-street parking on a community basis in parking structures funded through the revenue allocation process has been a major element of CCDC's strategy for revitalizing downtown Boise. A companion element to tax-exempt financing has been the parking reduction overlay zones that reduce the amount of on-site parking that is required for developing properties. The P1 zone that has traditionally applied in the Central Business District totally eliminates required on-site parking for new development. This system of public investment in parking facilities supporting private development investment is a major factor in ensuring that redevelopment in an existing urban environment remains competitive with greenfield development on the urban fringe.



As areas being served by CCDC-owned public parking garages have expanded, the need to extend the parking reduction zones has risen. In pursuit of this we applied for an expansion of the parking reduction overlay zones to include areas south of Grove Street and the Courthouse Corridor and Idaho Place areas. These areas are now being served by the new City Centre Garage and the garages built and planned for the Courthouse Corridor. The Planning Commission

and City Council unanimously approved this application. The rezone takes effect in early 2002 for the courthouse area and will expand as the other garages are completed.

Housing Density Code Amendments

With assistance from a consultant, CCDC continued work on a building code change that would allow greater housing density on a given site. This change would allow more housing units on a piece of property, thereby reducing the land cost that must be carried by each unit. In this manner we hope to ensure in-town living can remain achievable for all who choose it. This year, our goal is to complete the approval of a code that is similar to that used in larger cities.

REFURBISHED STREETSCAPES

Adelmann Building

The agency worked with the developer/owners of the Adelmann Building to install brick pavers, street trees, historic streetlights and other street furniture on the northeast corner of Capitol Boulevard and



Idaho Street. This project was particularly challenging for the designers due to substantial grade changes in the sidewalk areas and the reconfiguration of building entrances. The agency's investment of roughly \$100,000 resulted in the creation of a new outdoor seating area and brought the downtown signature streetscape to

this highly visible corner. New investment by the private developer, Kowallis & Mackey, on upgrades to the building totaled approximately \$3 million.

The Idanha

2001 witnessed the grand re-opening of the historic Idanha Hotel in its new life as an apartment building with retail on the first floor. Once serving as Boise's premier lodging house in the early 20th century, age and evolving life safety codes brought the venerable structure's future existence into question. With the dedication and commitment of developer Ken Howell, the historic and architecturally unique building is now serving downtown Boise in a new and valuable role.

In support of this project the agency was able to contribute \$75,000 in the Community Development Block Grant Funds to the completion of a brick paved area and furnishing zone adjacent to the historic Idanha Apartments at the northeast corner of Tenth and Main streets. This project also included public art components funded, in part, by CCDC.



CENTRAL DISTRICT

Brick Sidewalk Repair

Downtown Boise prides itself on its high-quality urban infrastructure. The hallmark of that infrastructure is the brick sidewalks that have become the signature of CCDC involvement. In support of this ethic of quality is an ongoing commitment to a high level of maintenance of those installations.

As the brick sidewalks age, use and weather take their toll. The CCDC Board supported a project that conducted an overall evaluation of the condition of the sidewalks. This evaluation resulted in a recommendation for replacing several failing sections as well as proposing an ongoing program for spot rehabilitation. This will preclude degradation of the public investment ensuring a long life and avoiding premature and costly replacement.

Capitol Terrace Escalator Replacement

Continuing CCDC's commitment to a high level of maintenance in those facilities under our control, we participated with Roper Investments in the replacement of the aging escalator serving the second-floor retail activities in the Capitol Terrace complex. The old equipment was experiencing reliability problems which negatively affected the businesses served. The \$300,000 investment was made to ensure effective access to those businesses.

RIVER/MYRTLE DISTRICT

Property Purchases

As an urban renewal agency in the state of Idaho, CCDC has a limited number, but effective array of tools to support its redevelopment and economic development missions. One tool is the ability to purchase property to facilitate development. Historically, significant amounts of federal funding underwrote large-scale property acquisitions in the Central District. However, retrenchment at the federal level from support of many urban programs eliminated this source of funds and prompted a different approach. The River/Myrtle district redevelopment

program calls for a more limited but targeted approach to property acquisition.

Associated Warehouse Property

On February 20, 2001, the agency purchased the Associated Warehouse Property at 620 South Ninth Street. This transaction secured a 46,500-sq.-ft. developable parcel fronting on Battery Street between Eighth and Ninth streets.

This acquisition was effected in support of at least two agency initiatives. The first was to provide a location for a parking structure to support investment in the growing cultural district and in support of the city's plan to construct a new main library immediately across the street from the site. The second objective was to provide an opportunity for urban density residential development near the downtown commercial area, the cultural district and the amenities of the Boise River greenbelt and adjacent park system.

Cline Property

Another acquisition in support of the agency's housing initiative was the 14,200-sq.-ft. property located on the northeast corner of Eleventh and Miller streets. Plans call for this property eventually to be consolidated with adjacent property to provide a substantial site for an urban-style infill residential project, which could serve as a model for such development in the River/Myrtle district.



Plum Family Property

This year, a small residential lot located in the same block as the Cline property also became available. This parcel at 429 South Tenth Street was purchased from the Edgar Plum family and will ultimately be included in the consolidation described above.

This parcel is currently being rented back to the former owners pending the assembly of a larger site.

Alloway Property

CCDC has acquired two parcels located at 134 and 201 West Myrtle Street totaling 8000 square feet. The site was purchased with the intention of adding it to Julia Davis Park, bringing the frontage of this urban amenity out to Myrtle Street as called for in the River/Myrtle plan. The agency cooperated with the Boise Fire Department and worked with a private demolition contractor to clear the site in preparation for its proposed use as park property.

PROJECT REVIEW

Idaho Place and Idaho Water Center

CCDC assumed a major role in the review of the University of Idaho's Idaho Place and Idaho Water Center projects. Together they will result in construction of 700,000 square feet of office, education/research, retail, residential and community uses on the north and south sides of Front Street, west of Broadway. Idaho Place will become the Boise campus for the University of Idaho and Idaho State University. Idaho Water Center will house a number of federal and state agencies and University of Idaho programs in a collaborative research center on water resources

and policy. Through the combined effort of the University of Idaho, project designers, city and CCDC staff, major revisions were made in the initial submittal for Idaho Place to create a design that incorporates key elements from the River/Myrtle plan. These elements included:



- High intensity, urban-style mixed-use development.
- Dramatic gateway statement at the eastern entrance to downtown.
- Retail and other people-oriented uses on the ground floor of buildings, thus activating the adjoining sidewalks and pedestrian spaces.
- Central public space in each project tied to the surrounding sidewalks, making these projects part of the urban fabric.
- Public plaza at the termination of Broad Street, and continuation of this street as a pedestrian promenade through Idaho Place.
- Continuation of the pedestrian spine in the Courthouse Corridor through Idaho Water Center.
- Use of high-quality building architecture, paving, landscaping and furnishings.

At this time, Idaho Water Center and the first phase of Idaho Place have received both conditional use and design review approval from the city. CCDC's involvement has focused on assuring that both projects were designed to be consistent with the River/Myrtle plan. We regard both of these projects as major anchors to the east end of this district.

St. Luke's Medical Center

St. Luke's Medical Center submitted plans for an office building and parking garage to be located immediately north of the Courthouse Corridor. Although



this site is outside any urban renewal district, it is located where a key pedestrian connection is shown in the River/Myrtle urban design plan. This connection runs from Julia Davis Park along Avenue A to the hospital district. CCDC worked with St. Luke's Medical Center and city staff to modify

the project design to include a grand staircase at the terminus of Avenue A and an attractive pedestrian walkway from the stairway to Warm Springs Avenue through the project site. The city has granted conditional use approval for the project and design review approval for the first phase—the parking garage and the pedestrian connection to Avenue A.

Eighth and Fulton Streets

Fulton Street Ventures submitted a proposal for 42 residential units, retail space and a below-grade parking structure on the southwest corner of Eighth and Fulton streets. This site is located in the cultural district and is adjacent to a number of historic brick buildings along Eighth and Ninth streets. Our review focused on whether people-oriented, activating uses would be located along the street frontages, the use of structured parking and how the project's architecture related to surrounding building fabric. The applicant, working with CCDC and city staff, revised the design to include retail space along both Eighth and Fulton streets. Building materials were changed to use brick and stucco in keeping with surrounding buildings. The project will provide mid-priced hous-

ing in the River/Myrtle district, which will increase the intensity of development, add to the mix of uses and support retail and restaurant businesses, thus meeting goals in the River/Myrtle plan.

PARKING

New Parking Operator

Republic Parking Northwest began serving the downtown Boise community on August 1, 2001. An interview panel unanimously selected this Seattle-based company to operate the garages and surface lots that service the downtown area. Republic's priorities in the first few months included enhancing the appearance of the facilities, improving customer service and containing operating costs. We expect to continue building on this higher standard of service for many years to come.

Parking Rates

The Downtown Public Parking System is operated by CCDC as an enterprise or proprietary function. While capital investments in the system have traditionally been subsidized through the revenue allocation process, system operations are expected to be fully fee supported.

With the refunding of previously issued debt in 1999 the system saved nearly \$1,000,000 in debt service costs. Additionally, a requirement was accepted by the agency regarding higher levels of net-parking revenue to be achieved before any additional long-term debt can be issued. In implementing these actions, the CCDC Board determined that this level of fiscal strength should be accomplished over a three-year period rather than achieving it in the initial fiscal period with a larger rate increase. The FY 2002 budget represented the third and final year of the adopted program.

Future rate adjustments will be determined through the application of a rate policy currently being developed by the CCDC Board and staff.

Garage Wayfinding Project

As part of the City Centre Garage project, the agency developed a signage system that could serve as a model for the entire downtown public parking system. Signage was designed to assist customers with an easy and convenient way to locate their vehicles upon returning from their activities. As the state capital and regional commercial center, downtown Boise



se often serves visitors who are unfamiliar with the community and the parking system.

The external signing at City Centre has proven quite effective in helping customers locate the entrance to the garage and plans are underway to include the same signs in

the other system facilities as improvements are made there. We have now completed the installation of the internal floor identification to assist people in remembering the floor where they parked their vehicles.

OPERATIONS

Downtown Shuttle Express

This park-and-shuttle service completed its first full year of operation in October 2001. The intent of this service is to provide a lower-cost alternative to commuters than utilizing downtown garages. Patrons leave their cars in a remote lot located at 25th and Fairview, and are transported downtown and back again. Usage has grown steadily to approximately 100 people. The service standards are quite high with frequent service to and from the parking facility and a friendly, helpful crew of shuttle operators. The

service has proven highly popular among those who use it, with current riders being the system's best marketers. This project is a collaborative effort by Boise City and CCDC and our goal is to increase ridership in 2002 to 160 patrons and to provide some services and amenities at the lot for our riders.

Capital City Public Market

This past season was the most successful yet for the market, which operates along Eighth Street from May through December. There were 30% more vendors participating each week and estimated attendance was up by the same amount. Many merchants in the vicinity reported higher sales during market days.

An earlier opening date and expansion south in front of Capitol Terrace will be considered for next year's market.



Eighth Street Parking Ambassador

In early September the agency launched a "Parking Ambassador" program along Eighth between Bannock and Main streets. The objective of the program is to educate visitors to the area about appropriate parking options in the vicinity. Ultimately we want to keep the street free of long-term parking so that it can be utilized for deliveries, business servicing and short-term drop-in patrons. As an added benefit, the ambassador has become an unofficial guide to area businesses and activities. A subcommittee of the CCDC Board will conduct an evaluation of the program and develop refinements to the program should they be warranted.

FINANCIAL

THE AGENCY AS A WHOLE

The agency's combined net assets increased approximately five million dollars over the prior year. Looking at net assets and net expenses of governmental and business-type activities separately, however, two very different stories emerge. Our analysis below focuses on the net assets and changes in net assets of the agency's governmental and business-type activities.

Net assets of Governmental Activities were affected primarily by the County Complex Project. The increase in net assets was due to construction deposits made by the County and increases in interest earnings of the Trustee Construction Funds.

The change in net assets for the Business Activities derive from a one-time payment into the Parking Fund from the Greater Boise Auditorium District and some net revenues from parking activities and interest earnings.

CAPITAL CITY DEVELOPMENT CORPORATION NET ASSETS September 30, 2001

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current and other assets	\$ 71,026,424	\$ 12,414,144	\$ 83,440,568
Capital assets	<u>1,581,265</u>	<u>25,234,225</u>	<u>26,815,490</u>
TOTAL ASSETS	72,607,689	37,648,369	110,256,058
Long-term liabilities outstanding	62,711,282	21,271,513	83,982,795
Other liabilities	<u>3,745,112</u>	<u>4,110,723</u>	<u>7,855,835</u>
TOTAL LIABILITIES	66,456,394	25,382,236	91,838,630
Net assets:			
Invested in capital assets, net of related debt	1,581,265	6,974,813	8,556,078
Restricted	6,520,627	—	6,520,627
Unrestricted	<u>(1,950,597)</u>	<u>5,291,320</u>	<u>3,340,723</u>
TOTAL NET ASSETS	\$ <u>6,151,295</u>	\$ <u>12,266,133</u>	\$ <u>18,417,428</u>

FINANCIAL cont'd.

Governmental Activities

The major activities for the year for Governmental Type Funds has been the construction of the County Complex Project and the debt associated with that construction.

Business-Type Activities

One of the major activities for the Business-Type Funds has been the maintenance and operation of a seven-garage parking system. The other major activity has been the ongoing development and operation of urban renewal districts. At September 30, 2001, there were two existing districts: Central and River/Myrtle. There were also three potential districts: Westside, Old Boise and Gateway East.

CAPITAL CITY DEVELOPMENT CORPORATION CHANGES IN NET ASSETS September 30, 2001

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
REVENUES			
Program revenues:			
Charges for services	\$ 71,068	\$ 2,917,273	\$ 2,988,341
Operating grants and contributions	351,692	3,014,098	3,365,790
Capital grants and contributions	6,332,955	—	6,332,955
General revenues:			
Unrestricted investment earnings	2,316,222	322,888	2,639,110
Net increase in the fair value of Investments	<u>129,942</u>	<u>60,777</u>	<u>190,719</u>
TOTAL REVENUES	9,201,879	6,315,036	15,516,915
EXPENSES			
Community development	722,086	—	722,086
Interest on long-term debt	4,155,246	—	4,155,246
Parking facilities	—	<u>5,561,734</u>	<u>5,561,734</u>
TOTAL EXPENSES	<u>4,877,332</u>	<u>5,561,734</u>	<u>10,439,066</u>
Increase in net assets before transfers	4,324,547	753,302	5,077,849
TRANSFERS	<u>59,687</u>	<u>(59,687)</u>	<u>—</u>
Increase in net assets	4,384,234	693,615	5,077,849
NET ASSETS – beginning	<u>1,767,061</u>	<u>11,572,518</u>	<u>13,339,579</u>
NET ASSETS – ending	\$ <u>6,151,295</u>	\$ <u>12,266,133</u>	\$ <u>18,417,428</u>

FUTURE DIRECTION

As in the past, the focus of CCDC is on the effective and timely implementation of the plans adopted by the Boise City Council. Additionally, the CCDC Board's strategic planning process initiated in 1999 attempts to provide a long-range look, identifying emerging issues that will impact those areas and issues under CCDC purview. One of the strengths of the urban renewal process is that an institution is in place whose sole purpose is the health and vitality of a specified geographic area. This allows organizational focus on that area and emerging issues that will affect its well-being. That focus is the foundation of CCDC's strategic planning effort.

Central District

With the initiation of construction on Boise Tower, the final property under CCDC ownership in this district has been transferred to the private sector for redevelopment. Financial obligations servicing the outstanding debt issued for infrastructure investments extend through 2015.

The CCDC work program includes the development of an exit strategy that will entail the identification of any additional investment required. A financial plan that ensures our obligations are fully met will be developed including an analysis of the potential for early retirement of the debt if possible.

River/Myrtle District

Major investment in the institutional uses in the east end of the district is well underway. The Ada County Courthouse was completed on schedule and within budget. The Idaho Water Center will house many of

the state and national organizations focusing on water resources. The Boise campuses of the University of Idaho and Idaho State University will be located across the street on the south side of Front Street at Broadway. About 300 housing units will be built on the Civic Plaza site between the courthouse and the Idaho Water Center. This investment has started to attract associated private development in the area as well.

The CCDC Board has acquired property in the central and westerly portion of the district to be used for demonstration projects for urban-style infill housing in hopes of stimulating additional residential development.

Implementation of the Pioneer Corridor Design Competition winning proposal will further encourage private investment in the River Street subdistrict.

The Greater Boise Auditorium District has chosen a design/build team to commence final design of their new convention center at Eleventh and Myrtle streets. Construction should be underway during 2002.

The Boise Smart City Initiative has focused its attention on the River/Myrtle district. An implementation plan is being developed to help guide both public and private investment in this area located adjacent to the state's heaviest concentration of higher education facilities and next to the region's predominant commercial area, Boise Central Business District. This plan will include an effective marketing effort to visibly promote the benefits of investing in this location.



Westside District

The Westside district was officially adopted by City Council action on December 4, 2001. Development of an implementation strategy has begun by CCDC staff. A number of developers have approached



CCDC staff showing interest in this area. These inquiries run the gamut of development including office, retail and residential uses.

We will strive to develop an interim financing strategy to provide resources to make public investments earlier than would otherwise be possible waiting for incremental revenues to accrue on a normal schedule.

Additional Districts

Consideration is still underway regarding potential involvement of the agency in the city-sponsored Gateway East industrial development project. The market analysis is expected in March 2002 and a master plan will be developed. Implementation options will be developed and submitted to decision-makers for their final consideration on how to proceed.

In response to the expressed interest of business and



property owners in the Old Boise area, east of the Central District, an eligibility study has been completed confirming that the area qualifies for inclusion in an urban renewal district under Idaho law. By CCDC Board direction, the development of the master plan has followed behind the consideration of the Westside plan and the Gateway East discussion. Progress is anticipated during the coming year.

Parking

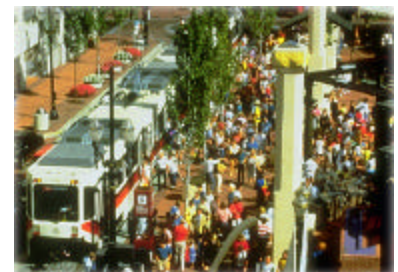
The provision of an ample and convenient supply of parking remains a major focus of agency activity. It is a competitive necessity and encourages private investment in the downtown area. We will be focusing on the establishment of a new parking management plan for the River/Myrtle area that is similar yet distinct from the original Central District plan.

We will be developing a business plan for the Downtown Public Parking System that may point to alternate ways of managing the parking resource. A higher reliance on efficiency-producing technology and an improved financial foundation are the goals of this effort.

Downtown Circulation

We plan to develop a means of analyzing traffic flow in the downtown area. The current regional traffic analysis model used by COMPASS to forecast traffic movements is not useful for the fine-grained movements in a downtown traffic grid. An appropriate model will analyze traffic impacts in a congested area with pedestrian movements, loading issues and events that are not definable on the regional model. Specific development proposals would then be analyzed to accurately predict traffic impacts.

The Smart City Initiative recommended that CCDC analyze the potential for a downtown circulator that would act as a convenient means of getting around central Boise, eliminating the need to use the automobile for in-district trips and avoiding a need for even more expensive structured parking.



CCDC staff will continue its active participation in the work of ViaTrans as that organization develops a plan for a regional transit system.



SUMMARY

CCDC has sought to expand our reputation as an effective partner in the vitality of downtown Boise. We have successfully collaborated with various private and public entities on a long list of initiatives during 2001. The Ada County Courthouse and associated parking facility have been completed. The CCDC/city-sponsored Boise Smart City Initiative brought together fifty forward-thinking people to develop a blueprint for competing in the evolving global economy. The new Westside plan set the stage for even greater urban vitality in the heart of the city.

While we list these and other accomplishments in our annual report, they, in fact, represent the accomplishments of a wide array of committed individuals from the public, private and nonprofit sectors. It is this commitment of time, energy and knowledge that separates Boise from other less successful communities. We would like to thank each individual whose personal contribution ensures that Boise remains a place worth caring about.