

Capital City Development Corporation



■ *2005 Annual Report*

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

From: *Cheryl Larabee, Chair, CCDC Board of Commissioners
Phil Kushlan, CCDC Executive Director*

Re: *Annual Report for Calendar Year 2005*

Date: *March 13, 2006*

We are pleased to present this annual report of the activities of the Capital City Development Corporation for 2005. Downtown Boise continues to flourish and CCDC, as the city's redevelopment agency, remains an active and essential partner in the success story. The year's top story has to be the opening of new buildings and businesses in the BoDo development, which with CCDC's participation has brought a completely new level of vitality to the area south of Front Street. Another major project is under construction with CCDC assistance in the Westside district: the 11-story Banner Bank Building will house 185,000 square feet of new office space and is the city's largest "green" project, expected to achieve the LEED platinum rating. CCDC's efforts to increase housing opportunities in downtown Boise are beginning to bear fruit, with over 500 units in the pipeline. CCDC is contributing directly to one of them, the CitySide Lofts, expected to provide 77 owner-occupied condominiums at the gateway corner of 13th and Myrtle streets. The agency continues to invest in the cultural fabric of the city, including Fall for Boise, the arts and culture festival in its second year and now two months long. Good news in the transportation planning realm includes completion of the multiagency Downtown Boise Mobility Study and the announcement that Boise had received a \$9.5 million federal appropriation to design and build a multimodal transit center and to plan for a downtown circulator that would connect to it. More good news for downtown came at press time: Fourth District Judge Kathryn Sticklen has granted the agency's request for summary judgment in the long-running Boise Tower dispute, returning to CCDC the title to this important piece of downtown real estate. While this does not represent a complete resolution of the issue, it is seen as a major step forward in the redevelopment of a key parcel in the original Central Urban Renewal District.

CCDC will meet the challenges inherent in all this new downtown activity with a committed board and dedicated staff. New to the board this year is David Eberle, a Boise native, economist and City Council member. Also new is the slate of officers: I am pleased to serve as the board chair, and I welcome Chuck Hedemark as vice-chair and Dale Krick as secretary-treasurer. At its annual planning retreat this past year the board revisited the agency's 2000 strategic plan, the first in recent memory. For the first time, Boise Mayor Dave Bieter participated in the session, strengthening the partnership between the city and its redevelopment agency. The new strategic plan, which will be available later this spring, will guide the agency's direction for the next 5-10 years. Expected outcomes of the strategic plan will include a capital investment plan and development strategy, which will complement the CCDC Business Strategy produced last year.

This report describes these and other highlights of the year. The year's top stories appear first, including 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 development review section is a summary of the development projects within Boise's urban renewal districts that were referred to us by the city for review and comment. The financial section comes from the agency's financial audit report.

We hope this report provides a useful summary of the agency's activities and financial status in the past year. If we can provide more detail on these or other aspects of CCDC's work please get in touch. We encourage those interested to visit the Web site (www.ccdcboise.com) or contact us at the address listed at the end of the report.

Cover photo: The Banner Bank Building nears completion at 10th and Bannock streets.

TABLE OF CONTENTS

5	<i>Leadership</i>
6	<i>2005 Highlights</i>
10	<i>Initiatives & Partnerships</i>
15	<i>Downtown Investments</i>
17	<i>Arts & Culture</i>
18	<i>Parking & Facilities</i>
19	<i>Development Review</i>
22	<i>Financial Report</i>



LEADERSHIP

The Capital City Development Corporation Board of Commissioners generally holds regular meetings on the second Monday of every month, and work sessions on the fourth Monday. 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.



*(l) Cheryl Larabee,
Chair
3-31-07
clarabee@ccdcboise.com*

*(c) Chuck Hedemark,
Vice-Chair
1-1-07
chedemark@ccdcboise.com*

*(r) Dale Krick,
Secretary/Treasurer
4-30-09
dekrick@ccdcboise.com*



*(l) David Eberle
5-17-10
deberle@ccdcboise.com*

*(c) Jerome Mapp
3-31-10
mjmapp@ccdcboise.com*

*(r) Kevin McKee
9-10-07
kmckee@ccdcboise.com*



*(l) John May
10-16-07
jmay@ccdcboise.com*

*(c) Phil Reberger
4-30-08
preberger@ccdcboise.com*

*(r) Pat Shalz
8-31-09
pshalz@ccdcboise.com*

2005 HIGHLIGHTS

BoDo/Myrtle Street Garage

A lot can happen in a year. The BoDo development has changed the definition of downtown Boise, effectively adding the area south of Front Street to it. BoDo opened new doors at the end of October, and has been busy ever since. BoDo, which stands



Corner of 8th & Broad streets in BoDo.

for Boise Downtown, brought new life to the four-block area formerly called the Eighth Street Marketplace. The P.F. Chang's restaurant, in the Sycamore Building at the corner of Eighth and Broad streets, experienced its fourth-largest grand opening out of 200 locations to date, and other national retailers Ann Taylor Loft and Jos. A. Banks exceeded their grand opening projections as well. The Edwards 9 multiplex theater opened in time for Christmas. In addition to national tenants, several local retail and office tenants have relocated here. The new mixed-use project adds 53,830 square feet of office condominiums, 135,204 square feet of retail space and a nine-screen theater to the existing retail and office buildings in the South Eighth

Street Historic District. Hampton Inn Suites, an 11-floor, 186-room hotel, is rapidly nearing completion and expected to open in summer of '06. The accompanying 362-space Myrtle Street parking garage, at the corner of Myrtle and Capitol Boulevard, is due to open in March. Urban design attributes in BoDo include large amounts of open plaza space, a reopened Broad Street from Eighth to Capitol Boulevard and re-established vehicular access from Eighth onto Front Street. The calm through-streets now accommodate cars, bicycles and pedestrians equally well, with angled on-street parking, bike routes and pedestrian-friendly intersections. ▶



BoDo development in September 2004 (l) and February 2006.



New private investment in the BoDo project is expected to total more than \$60 million. CCDC's participation includes \$5.91 million for the Myrtle Street Garage and \$1.5 million for streetscape improvements. CCDC will own the Myrtle Street Garage upon completion, and will manage it as a public parking facility serving BoDo and nearby areas as well as the hotel. The garage was a key component in the BoDo development, and participation of the cinema and hotel were contingent upon it. ■

Downtown Boise Mobility Study

The multiagency partnership behind the Downtown Boise Mobility Study (DBMS) released its final report in 2005 and all partners are looking at creating a team and pursuing funding sources for implementation. The partners, led by Valley Regional Transit, with CCDC, Ada County Highway District, Boise City, Boise State University, Idaho Transportation Department and COMPASS, all contributed funds, staff time or both to the effort. The study's purpose was to develop a comprehensive approach to mobility within downtown Boise and for people traveling from, to and through the downtown area. The vision that emerged includes

- An urban, pedestrian-oriented setting characterized by ease of movement and freedom from congestion for people and manageable congestion for vehicles.
- A vibrant mix of uses, including housing, offices, services, retail, restaurants, hotels, public spaces, and cultural, entertainment, research and learning opportunities.
- An interconnected, multimodal system of transportation that sustains this character and connects downtown Boise to the larger region.
- Smooth connectivity between various activity centers within the study area. ▶



Pedestrians on 8th Street in BoDo.

In its 20-year forecast (to 2025) of downtown growth, the study predicts an increase of 4000-6300 housing units, 4.8 million square feet of office and 500,000 square feet of retail use. These predictions guided recommendations for future improvements and investments to keep up with growth. Key ideas include:

- Develop a downtown circulator
- Build a multimodal transportation center
- Create a regional transit system that provides commuters with practical alternative to using autos
- Create network of pedestrian and bicycle routes in downtown and to adjacent neighborhoods, enhanced crosswalks to promote walking, bicycling and transit as alternatives to autos
- Improve signal timing
- Install paired signals on Connector to allow easier north-south access from downtown to Julia Davis Park and Boise River Greenbelt.

The big story related to the DBMS project is that Valley Regional Transit, with CCDC assistance, has secured \$9.5 million in federal funding to design and construct the multimodal center and to complete the alternatives analysis and preliminary engineering for the circulator. The combined project will accelerate the implementation of this important part of the DBMS, and provide significant help to downtown and the region as it confronts anticipated growth. More information and copies of the report are available at Valley Regional Transit's Web site: www.valleyregionatransit.org. ■

Strategic Plan

The McCarty Building shines in front of the 9th & Idaho Center



The CCDC Board of Commissioners held its annual planning retreat in November and revisited the agency's 2000 Strategic Plan and took a look forward to the next 5-10 years. The results from the retreat will be a new strategic plan, due out later this spring. The new plan will include a focus on district master plan implementation, strategic placemaking investments, transit/parking systems and transit-oriented development planning, key public infrastructure improvements, economic and business development activities, urban housing advancement and targeted neighborhood revitalization outreach. The board identified new opportunities to serve community needs in providing more comprehensive development services related to the current robust regional economy. This plan will ensure that Boise's downtown continues to remain the business, governmental, educational and cultural heart of the valley and as such to provide leadership on area initiatives. ▶

Key accomplishments since the 2000 Strategic Plan:

- Expanded redevelopment area from 275 acres in two districts in 1999 to approximately 500 acres in three districts.
- Developed Basque Block and 9th & Grove Plaza with public agency and private partners.
- Created the Boise Smart City Initiative.
- Held Pioneer Corridor Design Competition, implementation underway.
- Contributed to various streetscapes.
- Prepared 10-year CCDC Business Strategy.
- Adopted Cultural Investment Policy.
- Provided funding support for public artworks and performing arts and venues.
- Purchased key properties for catalyst projects.
- Identified housing as a major need; participated in nearly 400 apartments or condominium units, nearly 500 more on the way.
- Expanded public parking system from 1,533 spaces in 1999 to 3,938 due in '06.
- Increased net revenues by 64% between 1999 and 2005.

Highlights from the new strategic planning process:

- Develop financial and capital investment plans.
- Expand agency commitment to economic development including business retention and attraction and marketing of downtown Boise.
- Implement recommendations from Downtown Boise Mobility Study, including multimodal center and downtown circulator.
- Focus on workforce housing.
- Focus on design quality of downtown development.
- Develop strategies for neighborhood reinvestment.
- Create new models for how parking is delivered. ■



INITIATIVES & PARTNERSHIPS

Downtown Housing Initiative

For the past several years it has been an agency priority to help increase the number of residential options available in downtown Boise. Residents bring the kind of full-time social and economic vitality that the Smart City Initiative recommended for downtown, but the availability of living opportunities in downtown Boise has been limited. To address this lack of residential options, CCDC created the Downtown Housing Initiative in 2003. The first products of the initiative were market studies and surveys that verified the interest and development potential, suggesting 5,000 one- and two-person households would consider moving to downtown Boise provided the product and price range are right. CCDC used these results to promote housing development to landowners and developers and already nearly 500 units are under construction or in the pipeline and many more are under consideration. That's good news, and it would be tempting to call the initiative a success and move on.

The concern is that the bulk of the new units in the works are at the high end of "market rate" and above and thus not affordable to the broad group of people earning around the median income. These are the teachers, nurses, police officers and others any community depends on, known as the workforce, who earn between 80% and 140% of the median. One of the issues with workforce housing is that it is hard to deliver in downtown areas where land and construction costs are the greatest. Workforce incomes are too high to qualify for most forms of government assistance, but too low to afford adequate housing close to jobs. These families are then forced to live farther away, creating a variety of environmental and social problems.

To help solve the workforce housing dilemma in downtown Boise, CCDC is considering several strategies starting with a workforce housing policy. In February the

agency teamed up with the city, Downtown Boise Association and the Idaho District Council of the Urban Land Institute to hold a workforce housing forum attended by landowners, developers, planners and others. Key-note speaker John McIlwain, ULI senior fellow for housing, gave a message of cautious optimism, but he added, "You have your work cut out for you." ■

Housing options in Portland, Oregon.



Boise Tower

CCDC recently received a bit of good news in the long-running Boise Tower saga. In early February Fourth District Judge Kathryn A. Sticklen agreed with the agency's request for a return of the property title through summary judgment against Boise Tower Associates (BTA), the developer. The Boise Tower project, originally designed as a 25-story mixed-use retail, office and residential tower, has remained undeveloped, and CCDC declared BTA to be in default of the disposition and development agreement. Judge Sticklen granted the agency's motion and ordered BTA to surrender title to the property at Eighth and Main streets. Left unresolved in the judgment and headed to an April trial is the agency's request for damages resulting from BTA's failure to comply with the terms of the development agreement. It remains a top agency priority to complete the redevelopment of this significant property in Boise's downtown.



Boise Tower site at 8th & Main streets.

Fall for Boise

Last year's inaugural Fall for Boise celebration was such a success that event organizers doubled it this year. Produced again as a collaboration of the Office of the Mayor, Downtown Boise Association, Boise City Arts Commission, Boise Convention and Visitors Bureau, CCDC and others, Fall for Boise expanded from the month of September in 2004 to both September and October in 2005. The festival is an umbrella program celebrating the best of Boise's arts and community. Last year's Fall for Boise signature event, the City Arts Celebration, returned as the festival opener. Mayor Dave Bieter was again on hand to kick off the festival at the City Arts Celebration, an event cosponsored by CCDC that showcases the performing arts in Boise. This year two new signature events were added: Jazz on the Grove and the Collaborations Project (see p. 17). CCDC contributed to these events in addition to overall festival marketing and production support. ■



The Rhythm Dogs perform at City Arts Celebration.

Capitol Boulevard Streetscape Design



New streetscape standards applied at Front Street and Capitol Boulevard.

The most important gateway avenue in the state now has a streetscape design worthy of it. CCDC contracted landscape architects Jensen-Belts in 2003 to conduct a survey and develop standards for Capitol Boulevard. In May 2005 Boise City adopted these new standards. The refined standards are important because they provide for a rich, distinctive and consistent beautification of Capitol Boulevard from the Boise River to Front Street.

In 2005 the agency began discussions with city staff and elected officials on a program to fund the Capitol Boulevard streetscape improvements. CCDC estimates the project cost for the section from River Street to Front Street to be \$2-\$2.2 million. The agency also has applied for federal transportation enhancement funds to help with part of the work.

Block 44

Block 44, one of the keystones of urban renewal in Boise, has a new owner. Baum Realty Group's first priority is to re-tenant the vacant storefronts and stabilize the retail situation on the block, bounded by 8th, Idaho, 9th and Bannock streets. Their long-term plan is to prepare a redevelopment plan for the entire property that anticipates

Block 44 corner at 8th & Idaho streets.



higher densities and a greater mix of uses. CCDC's termination and release agreement with the owner includes a provision that they provide the agency with a master plan prior to applying for any demolition permits or for any land use approvals that may be required. The agreement recognizes CCDC's right to comment on the master plan through Boise City's review process and it requires the developer to provide its tenanting plan on July 1, 2006 and on July 1 of each succeeding year to 2017 or until the agency releases this obligation. ■

Pioneer Corridor

In 2005 the vision of linking the Boise River to downtown via the Pioneer Corridor edged a little closer to fruition. The corridor concept is to improve the existing Pioneer Walkway, based on a historic pedestrian connection, 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, utility providers and other stakeholders during the year. The team continues work on refining the design and advising the agency on redevelopment in the neighborhood.



Artist's rendering showing possible corridor development.

The Pioneer Corridor project is envisioned as mostly private development surrounding the walkway itself. CCDC continues to seek public funding sources for help with the investment needed to make the improvements to the pathway. These public improvements are expected to create leverage for substantial private investment in the area.

Smart City Initiative

The Boise Smart City Initiative, formed in 2000 by the Boise Mayor's Office and CCDC, remains at the core of much of the agency's work. The Downtown Housing Initiative, brownfields program and ongoing efforts to improve transit options and establish a downtown circulator all had their genesis in the Smart City project and its goal of making downtown Boise a place that is attractive to the "creative economy."



Audience at Grove Plaza cultural event.

One of the recommendations of the Smart City committees was to promote sustainable design and development. To further that goal CCDC has been involved in sustainable development efforts in the region, including participation in the formation of the Idaho chapter of the US Green Building Council, the nation's foremost organization promoting "green" or sustainable development. The USGBC created the LEED (for ▶





The Front 5 Building is Idaho's first LEED-NC certified building.

Leadership in Energy and Environmental Design) program that certifies high-performance building and development. Several buildings in downtown Boise have been LEED-certified or are expecting certification, and CCDC has contributed to each of them. The Ada County Courthouse, built by CCDC in 2002, is the first building in Idaho to receive LEED-EB (existing building) certification, meaning the building's operation meets high performance standards. The Front 5 Building, a major remodeling of a warehouse on Front Street, received LEED-NC (new construction) certification, also the first in Idaho. The Banner Bank Building currently under construction is expected to be certified at the highest platinum level for LEED-CS (core and shell).

Brownfields Program

CCDC's brownfields program, started in 2004 with a grant from the EPA, is another outgrowth of the Smart City project. The EPA defines a brownfield as any property challenged by environmental contamination or the *perception* of contamination. This year CCDC used grant funds to create an inventory of potential petroleum-related brownfields in downtown, and has begun performing Phase I environmental site assessments on selected properties. The inventory and more on CCDC's brownfield program can be found on the agency Web site, www.ccdcboise.com. Working with partners at the Idaho Department of Environmental Quality and others, CCDC has also collaborated in promoting brownfield redevelopment and identifying properties for assessment and reuse.

Linen District

One recent example of a successful brownfield redevelopment is the American Linen Building on Grove and 14th streets, for which CCDC applied to IDEQ for a targeted brownfield assessment. The positive results from that assessment led developer



David Hale to exercise an option to purchase that property and others nearby and initiate a major redevelopment of the neighborhood now known as the Linen District. Hale Development sees the Linen District as a mix of old, new and "green" geared toward "the creative professionals who are looking for both an urban workplace and lifestyle." ■

DOWNTOWN INVESTMENTS

CitySide Lofts

Groundbreaking took place in October for this important condominium project on former CCDC property at the gateway entrance to downtown at 13th and Myrtle streets. The Hosac Company's original development intention was for apartments and office uses in a single building with retail on the first floor, but strong interest in owner-occupied housing options led to a change of plans. The project is now expected to be a two-building, two-phase development with 77 condominiums. CCDC's financial participation reflects its commitment to expanding owner-occupied downtown housing choices and the importance of this location at the west end of the River Myrtle–Old Boise Urban Renewal District. Agency contributions include the property, site improvements, ACHD impact fee credits and utility relocation costs. Construction is underway and the first phase is expected to be completed by the fall of 2006.



11th & Myrtle Center

The west end of the River Myrtle–Old Boise district got a major new building in 2005 with the completion of the 11th & Myrtle Center. The 3-story, 24,500-square-foot office building developed by F&C Corporation primarily houses medical office tenants. The building's location where the Pioneer Walkway intersects Myrtle and 11th streets makes it a key component in the Pioneer Corridor redevelopment concept, which envisions a public plaza and entryway at this intersection. The developer worked with the agency to adjust the siting of the building and provide space for the plaza and improvements to the corridor. CCDC's investment in the project includes up to \$125,500 to cover costs of the public access easement for the corridor, improvements to the easement and the streetscape on 11th Street. ■



Plaza 121

One of the first redevelopment projects in the Westside Urban Renewal District came on line this year as Tomlinson & Associates completed 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. CCDC participated in the project through a reimbursement agreement for up to \$265,000 for streetscape improvements and canopies on the building's perimeter. This investment helped leverage an attractive project that has added pedestrian interest in this part of downtown. Plaza 121 retained and improved the small open plaza that serves as a pedestrian refuge on Ninth Street, a showcase for the public art project Spring Run and now home to the Estrella Cafe.



Leku Ona

Boise's Basque Block on East Grove Street continued its redevelopment as a destination point with a distinctly Basque flavor. In 2005 owner Jose Artiach renovated the historic Basque boarding house at the corner of Sixth and Grove streets, converting the building into a restaurant and bar, and the adjacent building from an office to a small hotel. Though streetscape improvements were not a requirement of the city's project approval, Mr. Artiach was interested in adding historic street lights, street trees and tree grates to the sidewalk. CCDC's participation in the project included a reimbursement agreement for \$15,000, about half the cost of the streetscape improvements.



Banner Bank

The biggest project of the year began construction in 2005 and is expected to open in spring 2006. The Banner Bank Building is an 11-story, 185,090-square-foot, Class A office building with 14,665 square feet of ground floor retail leased by Banner Bank.

The Christensen Corporation acquired the site in 2004 in a property exchange of CCDC's old Bannock Garage for a historic warehouse at 14th and Idaho streets. CCDC is participating in the Banner Bank project with a reimbursement of \$468,000, including ACHD impact fees and utility and streetscape improvements along 10th and Bannock streets. The agency also contributed to an innovative water reclamation project that collects and reuses storm water in a seven-acre area around the building, one of many sustainable development strategies that will help it achieve the US Green Building Council's LEED-CS platinum rating. ■



ARTS & CULTURE

CCDC's support of the artistic and cultural life of downtown Boise continued in 2005, and a couple of new programs were added to the portfolio. The agency views support of the city's arts and culture to be similar to other types of infrastructure investments—critical aspects of Boise's economic development. Recent studies have shown the important impact the nonprofit arts industry, and the performing arts in particular, have on Boise's economy and on residents' sense of the "quality of life" here. Through its partnership with the Boise City Arts Commission, CCDC continued its commitment to the very successful

Performing Arts at the Saturday Market program and the Fulton Street Theater. Again this year CCDC and BCAC teamed up for the City Arts Celebration, a day-long presentation of the performing arts in Boise, and the opening event for the Fall for Boise festival. This year two new signature events were added to Fall for Boise: Jazz on the Grove and the Collaborations Project. Jazz on the Grove is an open-air free concert on the Grove Plaza that combines live jazz performance with food and drinks available from some of Boise's best restaurants. This year's event, cosponsored by CCDC, also turned out to be an unplanned benefit for victims of the hurricanes, with proceeds from food and beverage sales going to the Red Cross. The Collaborations Project is Fall for Boise's new closing event, this year funded by CCDC and a grant from the Idaho Commission on the Arts, and produced by BCAC. Set at night in the Grove Plaza at the end of October, the Collaborations Project brought together a wide range of performing artists in a series of collaborative works built around fire, dance, music, poetry and song. Both Jazz on the Grove and the Collaborations Project in their first year set high standards for artistic excellence and new audience development, and are expected to become major downtown attractions over the years. ■

Boise's Frim Fram Four perform at the City Arts Celebration.



Fire on the Grove during the Collaborations Project.



PARKING & FACILITIES



Who says you can't get something for nothing? CCDC's First Hour Free Parking Program is now in its second year of operation and by all accounts has become a winning formula. Visitors in CCDC's downtown garages can park free for the first hour, with charges accruing after that. The program has clearly been successful in attracting more users to the garages; last year there was a 69% increase in the amount of free parking utilized and a total increase in daily customers of just over 14%. Yet because most visitors stay longer than an hour, overall parking revenues increased nearly 12%.

The two new garages in the Civic Plaza Corridor were named by the board in 2005. The garage nearest the Ada County Courthouse is now Avenue A West, and the one east of it, under the Civic Plaza Apartments and the Idaho Water Center, is Avenue A East. Both the apartments and the Idaho Water Center are now nearly fully occupied, and monthly parking in the corridor has increased substantially.

The parking system assisted downtown businesses by providing discounted parking for a number of community events. An average of 800 customers enjoyed special rates during the downtown First Thursday events. Sports fans parked in downtown garages and took shuttle buses to B.S.U. for the NCAA Regional Basketball Tournament in March, and later rode the inaugural Bronco Shuttle during football season. And finally, nearly 1,000 parkers took advantage of free parking on Christmas Eve to finish up their holiday shopping.

CCDC continues to partner with the Capital City Public Market, the highly successful farmers' and artists' market every Saturday from April through October. Last year was the market's 10th anniversary and a University of Idaho survey found that an

average of 8,500 people attended on a typical Saturday. In addition to filling the two blocks of Eighth Street owned by the agency, the market last year expanded into the Grove Plaza during peak season.

The Grove Plaza itself is experiencing an increase in use following implementation by the CCDC board of a new fee structure that allows partial rental of the space. The plaza is now more comfortable for both event attendees and casual users thanks to three large canopies placed there by the Downtown Boise Association. ■

The Capital City Public Market has become a downtown tradition.



CCDC receives referrals from Boise City on development applications, including applications for design review, zone changes, conditional use permits and variances 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.

In 2005 CCDC commented to Boise City on 36 development applications, reflecting a substantial increase in development activity from previous years. Several of these were for new buildings and other significant projects as listed below.

River Myrtle–Old Boise District

- Jefferson Street Partners; 6-story building with 44 residential condominiums and structured parking at Fourth and Jefferson; zoning code amendment, zone change, conditional use permit, variance and design review.

- Brighton Corporation's Bella Plaza; 6-story, 66,000-square-foot office building with bank on the ground floor at 412 W. Broad Street; design review, conditional use permit for drive-through and variance to setbacks.

- Christensen & Kaylor; 3-story building with commercial ground floor, 11 residential condos above at northwest corner of Eighth and Myrtle; historic review of O.W. Smith Building demolition and historic design review.

- Daniel Prohaska; 4-story building with 4 residential condos and 900 square feet of retail at 1521 W. Grove Street; conditional use permit for height exception, variance for setbacks and design review.

- Hale Development; renovation of former Goodyear Tire shop (now the Lincoln Building) to include a restaurant, retail or office and self-service storage at 1515 W. Grove Street; conditional use permit for storage, design review.

- Oaas Laney; renovation of building to house the Ada County Justice Center at 417 S. Sixth Street; conditional use permit and variance to parking standards, design review.

- Boise Neighborhood Housing Services; 20 townhouse-style residential condominiums at 15th and Grand Avenue; design review. ▶



Central District

- Scott Kimball; 17-story building with 10,000 square feet of retail and office, structured parking, and 70 residential condominiums at 851 W. Front Street (north side of City Centre parking garage); design review.

- Rental Housing LLC (Ken Howell's Capitol Terrace Apartments); 6-story addition to the Capitol Terrace Retail to include 81 apartments at 100 N. 8th Street; design review.

Westside Downtown District

- David Southers; 5-story building with 90 residential condominiums, ground-floor retail and office with structured parking at 1511 W. Idaho Street; zone change, conditional use permit for height exception, appeal of height exception and design review.

Other planning and development review:

- Collaborated with the developer on the initial BoDo sign program and revisions.

- Collaborated with the developer on the design and entitlements for the BoDo tenant and parking garage signage; design review, sign variance approval.

- Drafted code amendment to allow C-5 zone change for master planned residential uses.

- Added DD (Downtown Design) overlay zone to city's zoning map to implement amended River Myrtle-Old Boise urban renewal plan.

- Commented on residential historic district guidelines; amendment to historic preservation ordinance.

- Reviewed and submitted recommendations on 42 downtown sign permits. ■



Business Strategy Scorecard

As the agency charged with downtown revitalization, CCDC recognizes the need for both a long-term strategic plan and a specific, action-oriented business strategy to guide decisions on the use of public resources in its work. The CCDC Business Strategy, created in 2004, establishes specific targets for housing, office, retail and hotel development within the urban renewal districts. This scorecard is a tally of accomplishments in the first year of the strategy. The complete business strategy document is available at the CCDC office or online at www.ccdcboise.com.



Land Use	10-Year Baseline Targets	Completed 2005	Percent of Target Completed by Year End 2005	Variance from Benchmark for 2005	Projects in the Pipeline
	2005-2015			10%	
Office Projects (in square feet)	800,000				
Plaza 121 SWC of 9th & Idaho*		3,000			
Front 5 NWC of 5th & Broad*		16,741			
11th and Myrtle Center SWC of 11th & Myrtle		24,500			
BoDo Blocks between Myrtle, Front, 9th & Capitol		53,830			
Banner Bank Building NEC of 10th & Bannock**					170,425
Bella Plaza NEC of 5th & Broad					70,485
Metropolitan Between 15th & 16th, Idaho & Bannock					18,000
Ada County Justice Center 417 S. 6th*-**					12,254
Aspen South of Front between 8th & 9th					5,609
Total New Office Square Footage		98,071	12.3%	2.3%	276,773
Apartment Projects (in units)	800				
Civic Plaza Apts*** (190 & 252 E. Front)		299			
Capitol Terrace Apts East of 8th between Idaho & Main					81
Total New Apt Units		299	37.4%	27.4%	81
Condominium Projects (in units)	550				
Gem Building NEC of 10th & Idaho*-**					9
Cityside Lofts SEC of 13th & Myrtle**					77
Paradigm SEC of 5th & Broad					32
The Jefferson SEC of 4th & Jefferson					42
Metropolitan Between 15th & 16th, Idaho & Bannock					86
Aspen Front Street between 8th and 9th					70
Royal Block of NWC of 11th & Main					26
417 S. 8th St.*					8
O.W. Smith Building 419 S. 8th St.					11
Total New Condo Units		0	0%	-10.0%	361
Retail Projects (in square feet)	200,000				
Plaza 121 SWC of 9th & Idaho		3,400			
BoDo Blocks between Myrtle, Front, 9th & Capitol		135,204			
Banner Bank Building NEC of 10th & Bannock**					14,665
417 S. 8th St.					4,500
O.W. Smith Building 419 S. 8th St.					4,500
Metropolitan Between 15th & 16th, Idaho & Bannock					18,000
Aspen (Kimball) Front Street between 8th and 9th					4,409
Royal Block of NWC of 11th & Main					6,500
Leku Ona NWC of 6th & Grove*-**					3,000
Total New Retail Square Footage		138,604	69.3%	59.3%	55,574
Hotel Projects (in rooms)	250 rooms				
Hampton Inn & Suites NWC Capitol & Myrtle					186
Total New Hotel Rooms		0	0%	-10%	186
*Remodel vs. new construction					
**Projects under construction at year end 2005.					
***This project was completed in 2004, which was the same year in which the Business Strategy was adopted. Although the targets are for 2005-2015, Leland Consulting recommended that this project be counted toward targets given the size of the project and the amount of investment CCDC made to move this project forward. It is reasonably close in time to the establishment of the targets.					

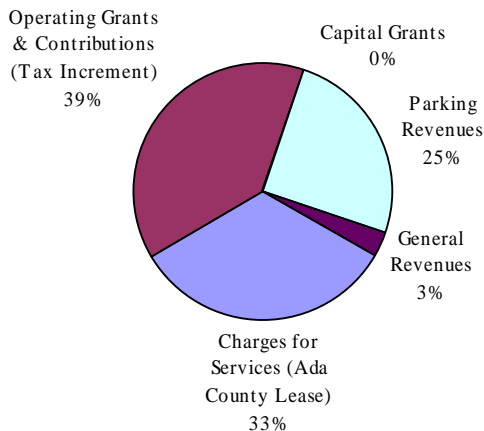
FINANCIAL REPORT

Capital City Development Corporation is a local development corporation which operates independently as a component unit of the City of Boise, Idaho. Its primary charge is to facilitate quality development and economic growth in the downtown core through urban planning and design, creation of development infrastructure and public amenities, provision of public parking and other development incentives consistent with principles leading to a vibrant city core.

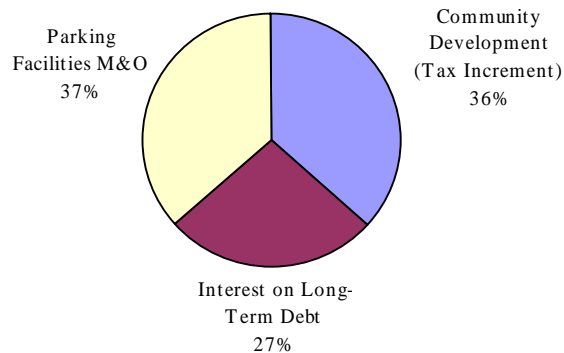
Toward this goal, the agency operates eight parking facilities, oversees three redevelopment districts comprising 542 acres, owns several redevelopment properties and has numerous financings related to parking facilities and development partnerships. Outstanding combined debt service is approximately \$84 million. The agency has entered into approximately \$2.5 million in development agreements for financial participation in selected project elements which facilitate quality development and advance the goals of the agency's urban renewal plans.

The agency's total fiscal year 2005 budget was approximately \$25 million including significant amounts related to bond proceeds and pass-through lease payments. The general operational budget is more typically \$8-10 million annually excluding these other revenue sources. The major revenue and expense categories of the approved budget of \$25 million are graphed below. An agency-wide financial summary follows on p. 23. Generally, the agency is experiencing positive growth in parking and tax increment revenue and stability in net assets. Overall 2005 revenues have increased by 17% over the prior year and expenses increased by 4%. Net assets also grew by 4% in 2005.

Agency Revenues By Source - FY 2005



Agency Expenses By Source - FY 2005



Statement of Activities

Revenues	Total		% Change
	2004	2005	2004-2005
Program Revenue			
Charges for Services (Ada County Lease)	\$3,774,038	\$4,343,192	15.1%
Operating Grants & Contributions (Tax Increment)	3,874,526	5,146,281	32.8%
Capital Grants	23,260	2,575	(88.9%)
Parking	2,989,393	3,302,193	10.5%
Total Program Revenue	10,661,217	12,794,241	20.0%
General Revenue			
Unrestricted Investment Earnings	270,091	321,103	18.9%
Net Increase in Fair Market Value of Investments	78,279	64,551	(17.5%)
Gain on Disposition of Capital Assets	262,666	-	(100.0%)
Transfers	-	-	
Total General Revenues	611,036	385,654	(36.9%)
Total Revenues	11,272,253	13,179,895	16.9%
Expenses			
Community Development (Tax Increment)	4,770,947	4,623,369	(3.1%)
Interest on Long-Term Debt	3,673,434	3,382,244	(7.9%)
Parking Facilities M&O	3,717,251	4,637,237	24.7%
Total Expenses	12,161,632	12,642,850	4.0%
Increase (Decrease) in Net Assets	(889,379)	537,045	(160.4%)¹
Net Assets - Beginning	14,094,883	13,205,504	(6.3%)
Net Assets - Ending	\$13,205,504	\$13,742,549	4.1%

¹ Net Assets change for 2005 results in positive growth (a decrease in the decrease).



INFORMATION

Further information about CCDC can be found online at www.ccdcboise.com.

Please direct any questions to:
 CCDC Executive Director Phil Kushlan
 P.O. Box 987, Boise, ID 83701
 805 Idaho Street #403, Boise, ID 83702
pkushlan@ccdcboise.com
 208-384-4264



CAPITAL CITY DEVELOPMENT CORP.

© 2006 CCDC
805 W. Idaho St., Ste. 403
Boise, ID 83702
Tel. 208-384-4264
www.ccdboise.com