



Annual Report 08



CCDC is an independent public redevelopment agency serving as a catalyst for quality private development through urban design, economic development and infrastructure investment with a goal of "building vitality in Boise's downtown."

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Jazz on the Grove, a Fall for Boise event on the Grove Plaza.



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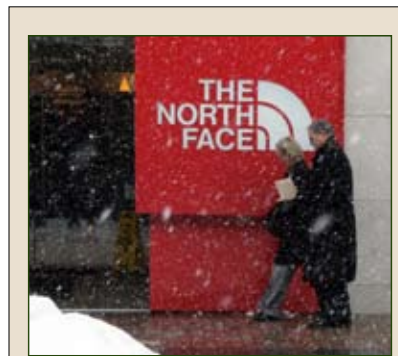
Summary

The year 2008 will be remembered as the beginning of a time of change. The recession that started last year has hit Boise along with the rest of the world. While Boise, and especially its downtown, have tended to be more stable through economic cycles than most places, the current crisis is serious and requires careful analysis and action. The good news is that Capital City Development Corporation, Boise's redevelopment agency, is well positioned to ride out the crisis. The careful stewardship of CCDC's resources in recent years, along with the planning and investments the agency has made over time, will help keep Boise relatively strong during the downturn and poised to prosper when the recovery begins.

In spite of the fact that financial uncertainty has stalled most development, CCDC remains busier than ever. Downturns are the time for planning and positioning, and the private sector is buzzing with pre-development activity. And CCDC had embarked on several major planning projects even before the current crisis began. The city of Boise has asked the agency to evaluate two potential new ur-

ban renewal districts. The 30th Street Area at 573 acres is very large and poses a number of challenges; the Armory study area is only about 20 acres and has a different set of challenges. But the main planning effort underway is looking at bringing streetcars back to downtown Boise. At the request of Boise's mayor and in cooperation with an array of partners, CCDC is leading the exploration of a streetcar loop that would both anchor a significant renaissance in public transportation in the valley and stimulate new development investment in the downtown core.

At press time the national stimulus bill has been signed and agencies and observers are scrambling to determine what its implications will be. CCDC, with our partners, has suggested ways this funding could help improve Boise's physical and civic infrastructure. Guided by the 2006-2015 Strategic Plan, CCDC in 2008 adopted a sustainable development policy and further commitments to its workforce housing initiative, as well as to public transit planning, neighborhood redevelopment, arts and culture investments, and smart stewardship of the public garage system. We continue to perform this work with a dedicated board of commissioners and



The recession that blew in with the winter of 2008 was felt in Boise as elsewhere, but signs of fundamental strength remain in downtown. Retail outfitter The North Face opened at Thanksgiving in the Mode Building at 8th and Idaho streets, and experienced one of the chain's strongest openings ever. CCDC assisted with street infrastructure improvements.

right-sized staff. This year John Hale of KPMG joined the board, replacing longtime commissioner and former vice-chair Dale Krick.

"May you live in interesting times" is the apocryphal curse that could describe the current period of perhaps significant change. We believe CCDC can endure this crisis and thrive amid the changes that will follow. As always we welcome further inquiry into CCDC's work, and encourage anyone interested to contact us directly or visit the Web site at www.ccdcboise.com.

— Cheryl Larabee, CCDC Board of Commissioners Chair; Phil Kushlan, Executive Director.



CCDC Board of Commissioners,
(top l-r) Cheryl Larabee, Chair;
John May, Vice-Chair; Andy
Simonds, Secretary/Treasurer;
(bottom l-r) David Eberle, Chuck
Hedemark, John Hale, Phil Re-
berger, Pat Shalz, Alan Shealy



2008 Highlights

residential development

Eighty-one new downtown ownership residences came on the market in 2008 and around 140 more are nearing completion. While the downturn in the economy has impacted sales in downtown Boise as everywhere else, real-estate professionals are confident that the new options in downtown are serving a large and untapped market. The Grand Avenue Townhomes project in the River Street neighborhood consists of 20 condominium units, many of which are priced in the workforce range. CCDC contributed to the project through a streetscape grant. The Grand Avenue Town-



The Grand Avenue Townhomes at 14th Street.

homes received a Grow Smart award from Idaho Smart Growth in 2008 for multifamily residential design. The 2007 winner of the award, CitySide Lofts, around the corner from Grand Avenue, completed its second phase of 35 units, for a total of 77. CCDC contributed to the CitySide project through land writedown, site preparation and streetscape improvements. The Royal Plaza, at 11th and Main streets, is the third residential project to finish in 2008. The Royal Plaza consists



Aspen Lofts rises above 'Grove Street Illuminated and Boise Canal.'

of 26 luxury condominium units, internal parking and ground floor retail space. CCDC contributed to the project with a streetscape grant.

Meanwhile a variety of other residential projects

are close to being finished, including the 17-story Aspen Lofts on Front Street and the 42-unit Jefferson project on 4th Street.

Workforce Housing Update

CCDC continued its commitment to increasing the supply of workforce housing downtown—for those people earning between 80% and 140% of median income, who can afford homes that rent for \$806–\$1,411 or sell for \$150,000–\$200,000. In 2006 CCDC formed the Workforce Housing Task Force to identify and create tangible policies, incentives

and tools that would encourage the development of workforce housing, but would pose little or no political risk if adopted by the city of Boise. The task force is a coalition of developers, builders, real-estate professionals, lenders and employers, along with representatives of housing agencies, CCDC and city government. The group helped develop the CCDC Workforce Housing Policy, adopted in 2007. During 2008 the group developed a list of implementation actions for the city, and presented them to the Boise City Council. The task force continues to meet to assist the city in adopting these steps. In addition, the group assisted the Ada County Association of Realtors in creating an employer-assisted housing program—a market-driven solution. The task force’s goal is to identify enough small steps to make a real difference in the workforce housing problem.

new office location

After eleven years in the former Boise City National Bank Building, CCDC moved its offices to a new location in the Plaza 121 building at 9th and Idaho streets on July 1st, 2008.

With the old lease up for renewal on June 30, CCDC issued a request for proposal for office space in February. Of the five respondents’ proposals CCDC selected Plaza 121, a healthy renovated mixed-use building close to the central core in the Westside district and close to CCDC garages for convenient public access. Plaza 121 has stable ownership and good building maintenance, is on the geothermal system, has a healthy tenant mix, presents well to development prospects, is competitively priced and provides good conferencing space for public board meetings as well as for general use by CCDC and its partner agencies.

CCDC occupies 6,175 square feet on the fifth floor, approximately

the same amount of space it had in its previous location. Downtown Public Parking Services, the operator for CCDC’s public parking garages, occupies the remaining 2,280 square feet on the same floor. The space also allows for some limited growth and includes multiple conferencing areas. The rent is similar to the previous location, but the new office offers more usable and productive space within the leasable square footage and is overall a better value. CCDC’s lease is a five-year term with two options for an additional five years each.



Boise’s New Fire Truck

Boise’s new Ladder Truck T5 was dedicated into service in March, adding new extension ladder service to Boise Fire Department’s downtown fire and rescue capabilities. Headquartered at Fire Station 5, at 16th and Front streets, the new ladder truck supports changes advocated by CCDC in 2004 to the Boise building code that allows Type V-A construction in the downtown’s core. This code allows one additional floor (to five) of wood-frame construction over structured parking, thus encouraging residential density downtown where it is most appropriate. Already two residential developments have taken advantage of the code change—the CitySide Lofts and The Jefferson. The new ladder truck ensures appropriate emergency response is available in downtown and elsewhere in the city. The truck’s cost of over \$660,000 was split by CCDC and the city.



CCDC helped purchase BFD ladder truck T5 (left) as part of the adoption of the Type V-A construction method, seen in the Jefferson condominiums underway (below).



planning for the future

Streetcar

More than 100 years ago Boise had three streetcar lines serving downtown and the region. A number of cities around the country are currently reinstating streetcars because they provide a clean, efficient, sustainable mode of transportation that



Streetcars could run again on Main Street.

can stimulate substantial new economic development nearby. Several local studies have recommended bringing streetcars back to Boise, including the Treasure Valley High Capacity Transit Study (TVHCTS). In June at his “State of the City” address, Boise Mayor Dave Bieter announced that it’s time to have a streetcar running again in downtown Boise, and called on CCDC to help. The ambitious schedule began with a hand-off of the project to CCDC from the Downtown Policy Advisory Committee (DPAC) of the TVHCTS. Working in cooperation with the mayor’s office, CCDC has formed a

35-member Streetcar Task Force to provide guidance regarding feasibility, routes, financing, vehicle technology and other issues. The task force includes a number of downtown Boise business and property owners and representatives from BSU, St. Luke’s, the state of Idaho and other agencies. The preferred alignment is a 2-mile loop from 16th Street

to Noble Park along Main and Idaho streets. The feasibility work underway will identify design and engineering issues and possible funding sources for the estimated \$45-65 million project.

30th Street Area

When the Ada County Highway District began evaluating a new connection between State Street and the Main–Fairview couplet in 2007, the city requested a delay to allow for a more comprehensive planning effort. With a consultant team and ACHD and CCDC involvement, the city worked in concert with citizens, elected officials, business and property owners and other agencies to create a design concept for the 30th Street Extension and a long-term development plan for the whole

planning area. The planning process created a vision for future development and redevelopment of the 30th Street area that integrates the proposed roadway design with planned land uses. One of the suggested mechanisms to help accomplish the 30th Street Master Plan is the urban renewal toolkit, and the city asked CCDC to investigate the possibility of forming an urban renewal district in the area. An eligibility report is a threshold step in determining whether the planning area meets the statutory requirements for a district, and CCDC contracted with Keyser Marston Associates (KMA) in the summer to evaluate the area for eligibility. The 30th Street project area consists of 573 acres of commercial, residential, vacant and open space/park land generally bounded by the Boise River, State Street and the I-184 Connector. KMA’s analysis determined the area eligible for an urban renewal district and the report was accepted by the CCDC board and forwarded on to the Boise City Council in early 2009 for consideration.



Artist rendering of possible development at 30th and Main streets.

Armory/Fort Boise Area

The Reserve Street Armory, built in 1937, is an approximately 40,000-square-foot building on five acres acquired by the city of Boise in 1993. The city has determined to divest the property along with several others, and has asked CCDC to consider creation of an urban renewal district to augment redevelopment potential. At the same time, the Boise City School District has a 15-acre parcel nearby that is no longer in service; these two properties, located between downtown and the foothills, and adjacent to several state and federal properties, offer an exceptional opportunity to create a new sustainable infill neighborhood. CCDC has contracted Leland Consultants



A tour inside the Armory.

to create a phased district study process. First is a memorandum of understanding among the city, school district and CCDC. Phase II will be a workshop/charrette with all stakeholders to create a shared vision and determine if a district should be formed. Following that is the creation of a development plan and a request for proposal process. This project

has unprecedented advantages: large amounts of valuable land with few owners (all government), proximity to the core and planned transit, plus an engaged neighborhood association. The result could help to create sustainable infill development, put government property back on the tax rolls and enhance both city and school district plans.



Smart City

From the new streetcar efforts to the ongoing investments in arts and culture, most of the economic development work of CCDC is an outgrowth of the Boise Smart City Initiative, begun in 2000 to help transform downtown Boise into the kind of place attractive to the knowledge workers of the creative economy. The Workforce Housing Initiative is a recent outgrowth of the Smart City work, but the newest is the CCDC Sustainable Development Policy, adopted in April.

Sustainable Development Policy

This policy is the result of a yearlong effort of a task force of the board, staff and experts



Smart Car at May in Motion on 8th Street.

from Boise's design and development community. The policy defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their needs. It directs the agency to consider sustainability in all aspects of its work, from planning and operations to financing development. It calls for CCDC to assume a leadership role in promoting sustainability in its partnerships and outreach to developers, and to achieve high-performance building standards like LEED certification wherever possible. This year CCDC was a Gold Sponsor of the inaugural Idaho Green Expo at the Centre on the Grove, which drew over 15,000 visitors. CCDC continues its work in brownfield redevelopment funded through a grant from the U.S. EPA. In the coming year CCDC will analyze its facilities and operations to create a benchmark of energy and resource use and explore ways to improve.



pedestrian improvements

CDBG Pedestrian Improvements

CCDC continues to pursue partnerships as a way to foster downtown's unique identity and improve accessibility for everyone. The Pedestrian Improvements Project involved a three-way partnership among CCDC, the City of Boise and the Ada County Highway District to upgrade a number of downtown intersections to current ADA standards. CCDC received nearly \$150,000 in federal Community Development Block Grant funding made available through the city's Housing and Community Development Division. CCDC transferred the funding to ACHD and worked with the road agency to identify intersections within the downtown urban renewal districts needing



ACHD President John Franden and Mayor Dave Bieter dedicate new improvements.

improvements, including wheelchair-accessible ramps, truncated dome warning inserts for the visually impaired and general curb and gutter reconstruction.

ACHD managed the bidding and construction process and ultimately were able to deliver improvements to a total of 19 intersections. Removing barriers to downtown mobility is a goal of all three agencies, and it is hoped that the work of this partnership will be extended elsewhere downtown.



ACHD crews place new signs on 8th Street.

8th St. Blue Signs

Alert visitors to downtown noticed a new look to street signs on 8th Street between Bannock and Main streets, the section owned by CCDC. Working with ACHD, CCDC arranged to have the existing street signs replaced with the large blue ones that indicate the street is not part of the regular road network and has a separate ownership. CCDC contracted with ACHD to fabricate and install a total of 10 signs, at a cost of just under \$5,000. Signs were installed that can be read by pedestrians walking in both directions along the one-way streets. This project is a way of celebrating the unique identity and function of 8th Street.

Partnerships

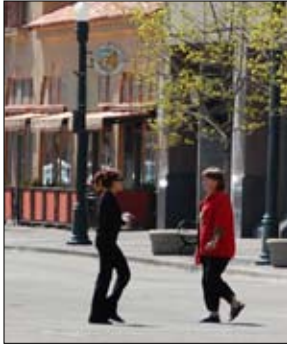
boise plaza

Construction is nearly complete on the Boise Plaza parking garage at 12th and Jefferson streets, a key first step in the master plan for redeveloping the four blocks around the former Boise Cascade office building. Owner-developer Rafanelli-Nahas is working toward a total build-out of over 400,000 square feet of office, retail, hotel and residential uses. The new garage provides more than 950 spaces of structured parking that releases the remaining surface parking lots



Boise Plaza's new garage in background.

for new development. CCDC has agreed to purchase 200 parking permits for five years—over \$1 million in investment. CCDC expects to recoup some of this investment through the resale of permits to the public and the tax increment on the value of the parking garage. The agreement provides CCDC an increased supply of public parking in the Westside district at relatively low cost, and it provides the developer a measure of certainty underwriting the completion of the parking garage and the rest of the Boise Plaza master plan.



Watercooler

Boise's new high-tech business development center opened in May and is humming with creative economy activity. The nonprofit incubator housed in CCDC's warehouse at 14th and Idaho streets has provided space to 14 entrepreneurs and their start-up companies. Four companies have hired additional employees and three have attracted additional investment capital. Boise's BoDo developer Mark Rivers created and manages the Watercooler effort; CCDC rented the building (with an affordable lease) and contributed \$40,000 for tenant improvements, and the city donated \$50,000 for streetscape improvements. The grass roots effort to help build the creative economy has already proven to be successful on its own terms, and is adding new life to this part of the Westside district.



streetscape grants

Aspen Lofts

9th & Front / Riverwalk, LLC

The grant supports the streetscape for the Aspen Lofts condominium project connected to the City Centre Garage on Front Street. The Aspen consists of 10,400 square feet of retail and office space on floors 1 and 2; 46 private parking stalls on floors 3 and 4; and 70 residential units. The project supports goals in the Central district, including more residential options, and is an excellent solution for a small property left over from a potential convention center expansion that was not pursued. Approved grant is \$23,995.



Downtown streetscape on Main Street.

the Boise Plaza Area Master Plan that suggests at least an additional 400,000 square feet at build-out, with about half in office and the other half in retail, hotel and residential uses. The parking garage is

a critical first step to execution of the master plan as it releases the existing surface parking lots for development. Approved grant is \$65,000.

Boise Plaza Parking Garage

12th & Jefferson / Eleven Eleven West Jefferson LLC

This grant helped fund the streetscape for the over 950-stall Boise Plaza Parking Garage under construction on the southwest corner of 12th and Jefferson streets. Property owner-developer Rafanelli-Nahas has created

1191 Grove Street

12th & Grove / Steve Welsh, dba Welsh Studios

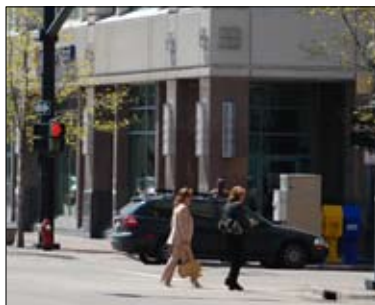
In 2003, the property owner and CCDC entered into a reimbursement agreement for streetscape along Grove Street. The owner is now completing the streetscape improvements for the 12th Street side of the property. The grant application is not the result of a city or CCDC requirement; instead the owner is initiating this

streetscape project to beautify the streets around his property and to enhance the value and desirability of his buildings. The grant of \$20,354 was approved in light of the extensive renovation on the block implementing the River Myrtle–Old Boise district master plan.

406 S. 5th Street

5th & Broad / Broad Street Properties LLC

This grant improves an “interim parking lot” that supports the recently completed Idaho Independent Bank across the street. Broad Street Properties anticipates developing a building on the site in three to five years. The grant approval of \$7,404 notes that the streetscape is consistent with the River Myrtle–Old Boise district plan and will provide some continuity to this segment of street. This is the developer’s second temporary surface parking lot in the neighborhood. Sufficient parking in the area was required to secure an office-space lease with Microsoft at Idaho Independent Bank that helps keep the company downtown.



Arts & Culture

CCDC has a new partner in investing in downtown arts and cultural infrastructure. This year the city of Boise created the Department of Art & History by combining the Boise City Arts Commission and the office of the City Historian. Elevating the new office to department-level status solidifies the city’s commitment to its arts and cultural activities, and ensures a strong voice for cultural advocacy in the city’s strategic planning. CCDC’s longtime relationship with BCAC and staff transferred seamlessly to the new department.



Collaborations Project closes Fall for Boise in the Grove Plaza.

Highlights of the year included the launching of the ExperienceBoise.org Web site promoting arts and cultural events in town. Arts & History staff produced and promoted a number of events in the Grove Plaza and elsewhere in downtown with CCDC contributions. These

Updates

events drew a total audience of over 40,000 people and created 546 performing artist opportunities. In addition, staff led over 3,000 people on guided tours of downtown’s public art collection, and distributed over 10,000 public art and cultural facility maps. CCDC’s cultural contributions for the year total about \$100,000.

Pioneer Corridor

Work continues on the Pioneer Corridor project, a catalyst design that reconnects downtown with the Boise River through redeveloping the River

Street neighborhood. CCDC was awarded an Enhancement Program grant by Idaho Transportation Department in 2006 that initiates the implementation. The \$500,000 award covers design and reconstruction of the existing section of the pathway between Myrtle Street and Grand

Avenue. CCDC's design team, Walker-Macy of Portland, with Boise-based Thompson Engineers, received concept approval from ITD in July and final design is underway. Construction is expected to begin by fall 2010.

Meanwhile, two adjacent properties that CCDC had acquired to make way eventually



Sign at Pioneer Street Green.

for the re-established Pioneer Street were cleared in 2008 and rebuilt into a temporary neighborhood open space, called the Pioneer Street Green. A dilapidated house on one property was burned by Boise Fire Department in a training exercise, and the green space was constructed at a cost of approximately \$26,000. An interpretive sign was installed at the site to explain the Pioneer Corridor vision.



International Downtown Assoc. Advisory Panel

As downtown Boise continues to mature from a regional commercial center into a vibrant, vital mixed-use district, Downtown Boise Association (DBA) and CCDC want to address proactively such big-city issues as noise, trash, parking, deliveries, safety, vandalism, graffiti, open space, art and beautification. To help, DBA contracted with the International Downtown Association (IDA) for an IDA Advisory Panel review in October. The advisory panel consisted of experts from Washington, D.C., Pittsburg, Fargo, San Jose and Detroit, with the engagement of city staff, downtown developers, building owners, residents, local agencies, business representatives, and CCDC staff and board. The panel reviewed current policies impacting downtown, recommended best practices and examined the DBA governance structure regarding its Business Improvement District. The panel's report is expected in 2009. CCDC contributed \$16,000 to the project.

Blueprint Boise

Boise's overhaul and update of its comprehensive plan and zoning ordinances, called Blueprint Boise, entered its second year. The city is actively engaging its neighborhoods in crafting a community vision and integrating

regional planning concepts at the local level. The new plan addresses emerging concepts like Transit Oriented Development (TOD) and mixed-use activity centers. The designated neighborhood representative for the downtown is the Downtown Boise Association; CCDC and DBA have collaborated together on submittal of comments, solicited feedback and provided input to the city about the role and significance of downtown. In the next 20 years, Boise is projected to add 75,000 additional people, 30,000 new homes and 80,000 new jobs. A portion of this growth will be directed toward downtown and is anticipated in the CCDC Business Strategy.



Project review

CCDC receives referrals from the city of Boise on development applications, including design review, conditional use permits, zone changes and variances proposed in downtown Boise's urban renewal districts, along with code and policy changes affecting downtown generally. 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.

River Myrtle-Old Boise

- State Historical Museum - 610 N. Julia Davis Dr., design review, expansion with 2 additional floors totaling 37,735SF
- Green Foundations, Sustainable Futures, White-Leasure Development -1204, 1214, & 1220 W. Front Street - design review for conversion of warehouse into beverage container/redistribution/remanufacturing office/warehouse development
- Arthur Berry - 426 S. 10th Street, design review for conversion of existing telecommunications warehouse into a bakery
- Broadway Front LLC /Rick Duggan -316 E. Myrtle St & 401 S. Broadway; design review modification to mixed use project consisting of grocery, parking, hotel, residential & retail
- 4th & Broad - 406 S. 4th Street design review for a mixed use project composed of office, parking, retail and restaurant
- Civic Plaza-Idabuild Condo Project, PA-5 in Courthouse Corridor; six-story condominium project with 57 units identified as workforce housing
- Qdoba Mexican Grille - 111 Broadway Ave; design review; exterior and interior remodel, repaint
- Boise Public Library - 150 S. Capitol Blvd.; design review; exterior remodel,

change of awnings, ramp, stairs, planters

- Scott Ludwig - 406 S. 5th; bicycle locker; design review
- Chandler's Restaurant - 981 W. Grove; design review; awning replacement
- Les Bois FCU - 393 S. 3rd Street; design review; ATM, awning, ADA-ramp
- Michael Jobes - 435 S. 11th Street; design review; 7-unit planned residential development
- Table Rock Printing - 1114 Front St; design review; paint exterior.

Central

- The Mode Building - 802 W. Idaho; design review; interior/exterior remodel
- Key Bank - 702 W. Idaho; design review; movable planters
- Dynaco, Inc. - 622 W. Idaho; design review; window tinting
- Ephraim Greenwall - 404 S. 8th Street; design review; ADA accessible ramp.

Westside

- Shilo Inns-Boise Riverside, 3031 W. Main St. - Appeal of 48-unit planned residential development on 1.87 acres
- Boise Plaza Parking Garage - 1223 W. Jefferson Street; design review; construction of an 8-story, 227,271 gsf 940 stall parking structure
- Idaho Mountain Touring, 1310 W. Main Street; design review; façade and interior remodel; streetscape
- Hal Davis Jewelers - 921 W. Jefferson; design review; remodel
- Endurance Training & Fitness Center - 1114 W. Jefferson; design review; interior/exterior remodel
- Bank of the Cascades - 1209 N. 9th Street; design review; ATM mod

- Wells Fargo - 505 W. Bannock; design review; minor exterior mod
- D.L. Evans Bank - 209 9th Street; design review; storefront mod.

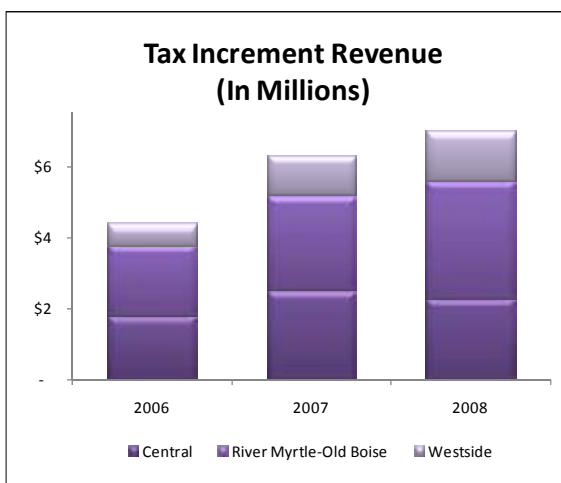
Plans, Ordinances & Studies

- ACHD Roadways to Bikeways Plan
- ACHD Complete Streets Policy
- ACHD Transportation and Land Use Integration Plan (TLIP)
- ACHD Tree Planting Policy
- Boise City Text Amendment to Comprehensive Plan for policies associated with State Street Corridor Strategic Plan Study
- Boise City Wireless Ordinance Amendment
- Boise City Sign Ordinance Amendment
- Boise City – Blueprint Boise Comprehensive Plan Update
- Treasure Valley High Capacity Transit Study (DT Multimodal Center & DT Circulator)
- 30th Street Eligibility Report
- 30th Street Master Plan
- Boise City – Downtown Boise Neighborhood Strategic Plan (DBA & CCDC)
- DBA – Int'l Downtown Association Advisory Panel (DBA & CCDC)
- Design / Development Review Process
- Boise City Mayor's Committee on Climate Protection "Greenhouse Gas Reduction Strategies for Boise"
- ITD – Idaho's Mobility and Access Pathway
- Valley Regional Transit – State Street Corridor Transit and Operational Plan
- COMPASS – Access Management Toolkit
- COMPASS – 2008 Performance Monitoring Report.

Financials

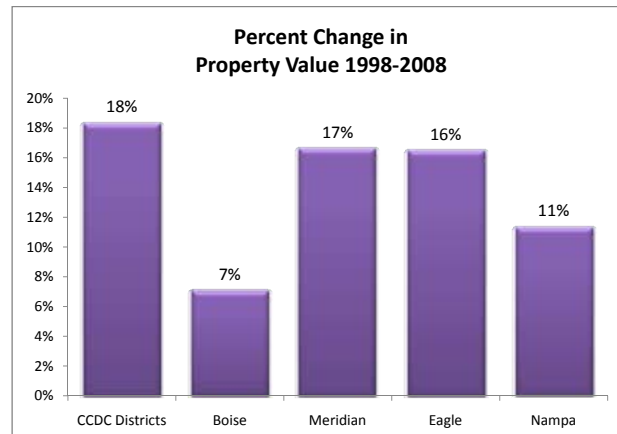
CCDC's primary charge is to facilitate quality development and economic growth in the downtown core through urban planning and design, creation of development infrastructure and public amenities, provision of public parking and other development incentives consistent with principles leading to a vibrant city center. CCDC owns and operates eight parking facilities, oversees three redevelopment districts comprising 542 acres, owns several redevelopment properties and has numerous bond issues related to parking facilities and development partnerships. Through careful financial and capital planning and rigorous expense management, the agency continued to strengthen its financial position and improve its balance sheet in 2008. Outstanding debt decreased by more than \$6 million, or 8% due to several early bond calls. Net assets increased more than 14%, about \$2.4 million.

The agency maintained positive overall growth in tax increment income for fiscal 2008. In the Central District, the oldest of the agency's three districts, increment revenue declined about 7% compared with 2007. The most significant percentage increase occurred in the Westside District, where tax increment increased 32% compared with 2007. Tax increment in the River Myrtle-Old Boise District also increased 21% compared with 2007. In total, tax increment revenue increased about 12%

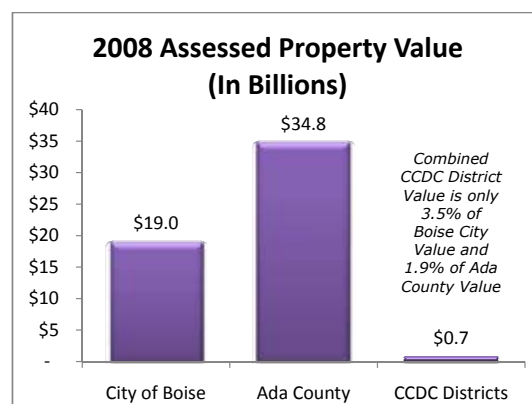


from 2007 to 2008. The overall continued growth reflects the agency's efforts and investments to bring development and vitality to the Boise downtown.

Agency efforts over time have been successful in increasing values in downtown at a faster rate than in Boise as a whole and at a faster rate



than other cities in the Treasure Valley. This diversified economic base then helps contribute to better infrastructure and quality of life. Although property values have grown significantly in the districts, the assessed value of property in the combined districts only represents 3.5% of total Boise City value and 1.9% of total Ada County value.



Parking revenues in 2008 were down just slightly, about 3%, compared with 2007, but remained stable through year-end. Based on comparisons with other markets, this decline appears to be at-

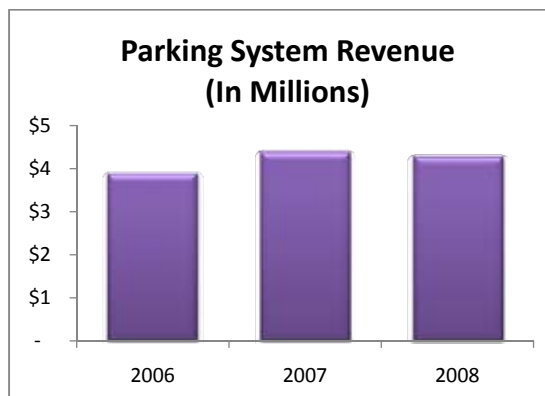
Strategic and Risk Assessment

Development activity in downtown Boise has increased in scope and complexity in recent years, and with ambitious projects in mind, policy leaders look to the unique tools of the redevelopment agency. At the same time, the city expressed an interest in a better understanding of the agency's focus and practices to ensure that new partnerships would remain sound. While the agency has conducted annual audits as prescribed by state law and good business practice, more detailed external assessment of the performance of the agency against accepted practices had not been conducted. Subsequently, city officials and CCDC board members held discussions that produced a plan to conduct further in-depth assessments of CCDC goals, plans, policies, procedures and controls.

First, CCDC's goals and plans were reviewed, assessed and adjusted at an organized retreat of the full board together with the mayor and city officials, leading to an update of the agency's strategic plan. This effort established consensus on CCDC's key plans and priorities and improved coordination between the agency and the city.

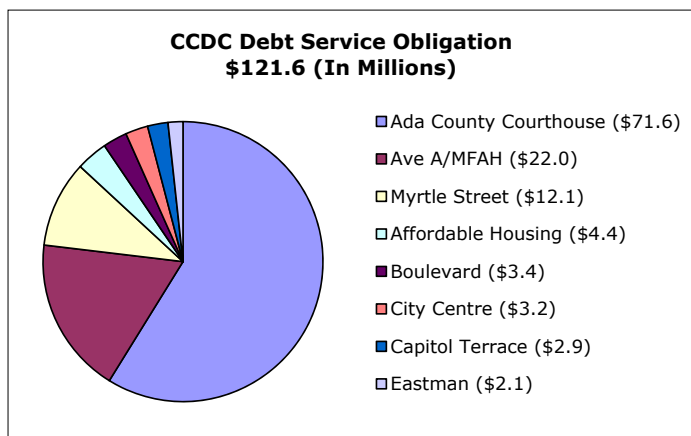
Second, a Risk Based Cycling Review Policy was established and adopted by the board to ensure best practices are in place for risk management and protection of public resources.

Third, an external assessment was initiated by a Special Ad Hoc Assessment Committee and performed by the independent accounting firm Eide Bailly. This assessment examined internal controls, policies, procedures and practices. The final report delivered satisfactory (highest) ratings on all thirty procedures along with several recommendations. Pursuant to the adopted Risk Based Cycling Review Policy, CCDC will initiate further periodic reviews as determined by the board.



tributable to the general economic downturn and resulting decrease in utilization of the parking system. Additionally the sale of the 9th Street Garage, pursuant to a long-standing development agreement, accounts for some of the year-to-year revenue and expense reduction.

Year-to-year expenditures may vary significantly with the timing of projects. In 2008, the agency's expenditures for streetscape improvement, public amenities and participation in targeted redevelopment projects increased compared with 2007. Overall expenditures for the parking system decreased due to the sale of an asset—the 9th Street Garage—at the end of 2007, accounting for most of the comparative decrease in expenses. Declining interest rates in 2008 decreased interest expense on long term debt, though rates increased substantially but briefly late in the fiscal year followed by a re-stabilization. Interest expense is expected to increase in 2009 compared with 2008, although this is difficult to predict with certainty given the current volatility in the bond market.



The agency's total combined debt service (principal and interest) is approximately \$122 million. Of this total, \$56 million will be passed through from Ada County in the form of capital lease payments, making CCDC's net debt service obligation \$66 million. The agency has currently committed approximately \$781,000 in financial

participation to public improvements that complement development projects and advance the goals of the agency's urban renewal plans.

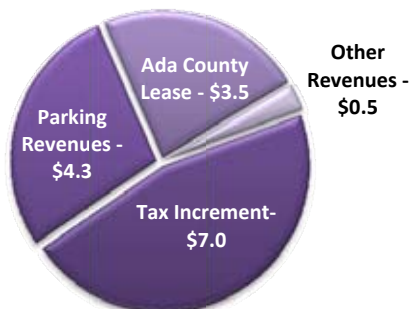
Overall, parking income remained stable with a slight decline, increment revenues increased by 12% and ending net assets for 2008 increased \$2.4 million, or 14%, over 2007. It should be noted

that increases or decreases in net asset value may vary significantly with variations in debt service payments, the timing of large public improvement projects or the purchase or sale of land, buildings and parking facilities. Net assets growth for 2008 may be attributed primarily to the reduction of long term debt obligations. An agency-wide financial summary for 2008 is presented below.

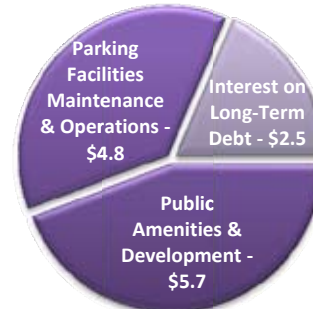
Statement of Activities

REVENUES	2007	2008	% Change
Program Revenue			
Tax increment revenues	\$ 6,251,953	\$ 7,007,883	12%
Parking revenues	4,397,544	4,286,156	-3%
Ada County Lease (pass through)	7,710,170	3,484,928	-55%
Other program revenues	1,900,322	459,095	-76%
Total Program Revenue	20,259,989	15,238,062	-25%
General Revenue			
Unrestricted Investment Earnings	331,607	251,351	-24%
Gain (loss) on Disposition of Property	(33,590)	-	-
Total General Revenues	298,017	251,351	-16%
Total Revenues	20,558,006	15,489,413	-25%
EXPENSES			
Public Amenities & Development	5,584,282	5,741,116	3%
Parking Facilities M&O	5,647,981	4,842,786	-14%
Interest on Long Term Debt	3,789,742	2,470,814	-36%
Total Expenses	15,022,005	13,054,716	-13%
Increase (Decrease) in Net Assets	5,536,001	2,434,697	-
Net Assets - Beginning	11,434,850	16,970,851	48%
Net Assets - Ending	\$ 16,970,851	\$ 19,405,548	14%
Total Assets	108,966,654	106,759,767	-2%
Total Liabilities	91,995,803	87,354,219	-5%
Net Assets	\$ 16,970,851	\$ 19,405,548	14%

Revenues by Source
In Millions



Expenses by Type
In Millions



Business Strategy Scorecard

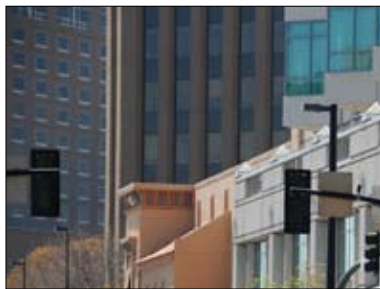
CCDC is the agency charged with Boise's downtown revitalization, and recognizes the need for both a long-term strategic plan and an action-oriented business strategy to help guide decision making. The 2004 CCDC Business Strategy establishes specific residential, office, retail and hotel development targets. This scorecard lists accomplishments in the strategy's first four years. The complete strategy document is available at the CCDC office or Web site.

Land Use	10-Year Baseline Targets	Completed				% of Target Complete	Projects in the Pipeline
		2005	2006	2007	2008		
	2005-2015						
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				
Ada County Justice Center 417 S. 6th*			12,254				
Idaho Independent Bank NEC of 5th & Broad				70,485			
Aspen Front Street between 8th & 9th							5,609
Total New Office Square Footage		98,071	182,679	70,485	0	44%	5,609
Apartment Projects (in units)	800						
Civic Plaza Apts*** (190 & 252 E. Front)		299					
Capitol Terrace Apts East of 8th between Idaho & Main							102
Total New Apartment Units		299	0	0	0	37%	102
Condominium Projects (in units)	550						
Gem Building NEC of 10th & Idaho*.-**							9
Cityside Lofts SEC of 13th & Myrtle				42	35		
The Jefferson SEC of 4th & Jefferson							42
Aspen Front Street between 8th and 9th							70
Royal Plaza NWC of 11th & Main **					26		
R. Grey Lofts 417 S. & 419 S. 8th St.*.-**							16
Grand Avenue Homes					20		
Total New Condominium Units		0	0	42	81	22%	137
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				
Leku Ona NWC of 6th & Grove*			3,000				
R. Grey Lofts 417 S. & 419 S. 8th St.*.-**							9,000
Aspen Front Street between 8th and 9th							4,409
Royal Plaza NWC of 11th & Main **					6,500		
Total New Retail Square Footage		138,604	17,665	0	6,500	81%	13,409
Hotel Projects (in rooms)	250						
Hampton Inn & Suites NWC Capitol & Myrtle			186				
Leku Ona		5					
Total New Hotel Rooms		5	186	0	0	76%	0
*Remodel vs. new construction							
**Projects under construction at year end 2008.							
***This project was completed in 2004, the year in which the Business Strategy was adopted. Although the targets are for 2005-2015, the project is counted toward targets given the size of the project and the amount of investment CCDC made to move this project forward.							

Parking

Parking Reinvestment Program

In May CCDC approved a parking rate adjustment designed to generate nearly \$1 million per year for four years to fund a comprehensive program of capital and service improvements to the agency's parking system. A group of stakeholders known as the Parking Advisory Committee devised recommendations and a funding strategy intended to generate sufficient revenues to fund the program. Parking rates had not been adjusted for nearly five years. A cornerstone of the proposal was the retention of the popular "First Hour Free" program, available in six of the agency's downtown garages. Proposed improvements were grouped into three categories: Infrastructure Reinvestment; Non-Routine Maintenance & Technology Upgrades; and "Best in Class" Program Initiatives. Program budget will be adjusted annually based on revenue projections and an annual report will be generated to track Reinvestment Program results.



Parking Update

The parking rate increase to \$2.50 per hour became effective on August 1. For the year, visitor parking in the downtown core decreased from 890,938 in 2007 to 758,664, a drop of 15%. However, in the Courthouse Corridor the count went up, from 204,167 to 229,494, an increase of 12%. The cost of the First Hour Free program in the downtown core remained stable at about \$1.5 million. The cost of the Ada County-supported First Hour Free program in the Courthouse Corridor was about \$300,000. Visits to Myrtle Street Garage, the newest, continue to increase, with nearly 8,000 visitors per month, up from 6,000 last year. Monthly parking is currently available at all garages, with no waiting lists.

Downtown Parking Study

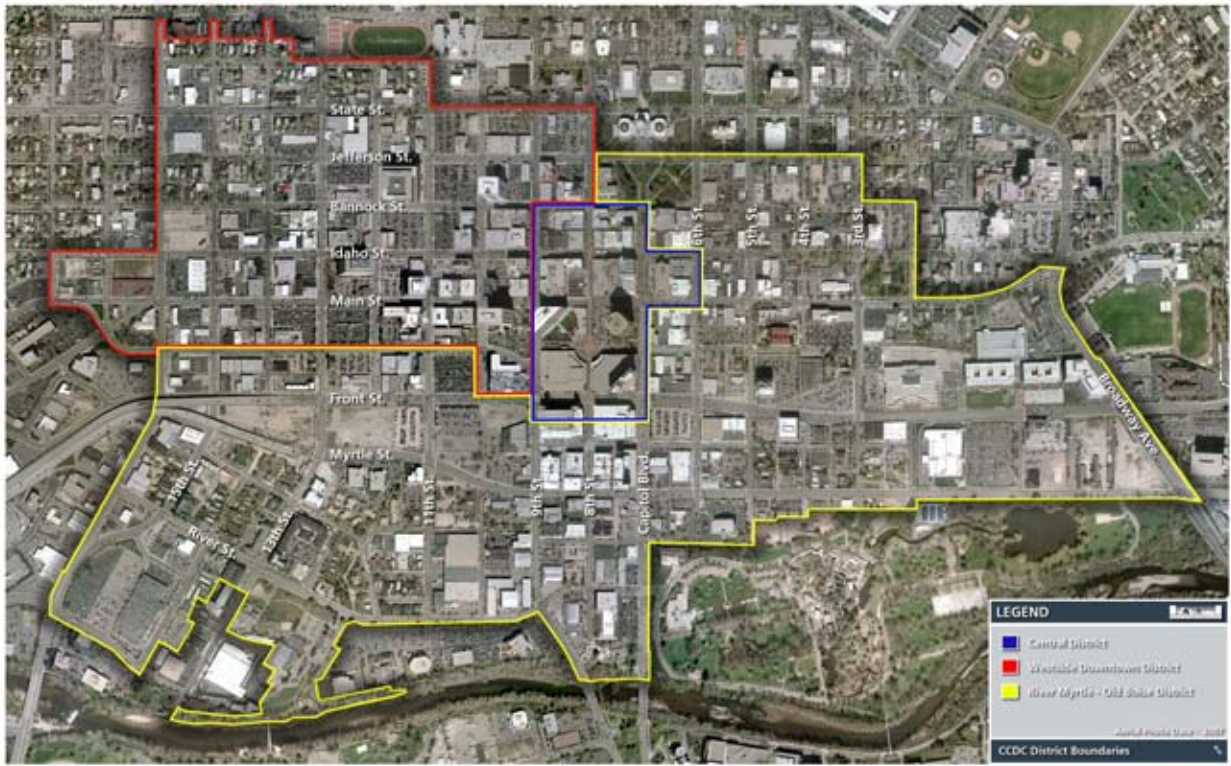
This year CCDC finished its first comprehensive parking study since the mid-1980s. The effort originated in 2006-2007 when parking was at a premium downtown and businesses were competing for it or were deciding whether to invest in their own parking structures. At that time the garages had waiting lists despite often vacant garage top floors; and the parking system's reservations policies and practices were not popular with the private sector.



The parking study undertook a thorough analysis of existing supply and demand for parking in specific areas; optimal garage design options; potential sites for future garage construction; and solutions to funding, legal and operational issues. Property owners were asked about current and projected land use and parking conditions. From this, projections were made about current and future parking needs. A field survey in March led to an inventory of existing on- and off-street parking spaces and their utilization within the study area.

Major study findings and recommendations:

- there is currently a significant surplus of parking in the study area;
- a substantial portion of the parking is private and use is restricted;
- several parking demand alternatives were identified;
- several future garage sites were identified;
- four potential parking facility prototypes were developed, together with facility design guidelines;
- a preliminary financial analysis for a future facility was proposed; and
- potential financing strategies were identified.



Boise Urban Renewal Districts



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