

CAPITAL CITY DEVELOPMENT CORPORATION
Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
December 14, 2015 12:00 p.m.

A G E N D A

- I. **CALL TO ORDER**.....Chairman Hale
- II. **AGENDA CHANGES/ADDITIONS**.....Chairman Hale
- III. **CONSENT AGENDA**
 - A. Expenses
 - 1. Approval of Paid Invoice Report – November 2015
 - B. Minutes and Reports
 - 1. Approval of Meeting Minutes from November 9, 2015
 - 2. Approval of Text Edits to CCDC Participation Program Manual
 - 3. Approval of Risk-Based Cycling Review Year 1 of 3: PARCS Internal Controls

IV. **ACTION ITEM**

- 12:05 A. PUBLIC COMMENT: Monthly Parking Rate Increase (20 minutes).....Max Clark
- 12:25 B. CONSIDER: Resolution 1419 Approve Monthly Parking Rate Increase (5 minutes)..... Max Clark
- 12:30 C. CONSIDER: Resolution 1422 Approval of DDA for 1401 W Idaho St to Water Cooler, LLC (15 minutes)
.....Shellan Rodriguez
- 12:45 D. CONSIDER: Resolution 1415 Grant Easements to The Greater Boise Auditorium District for the Boise
Centre Expansion's Concourse and Approve Related Memorandum of Understanding (10 minutes).....
.....Doug Woodruff
- 12:55 E. CONSIDER: Resolution 1421 First Amendment to The Grove Plaza Renovation CM/GC Contract with
McAlvain Construction (10 minutes).....Doug Woodruff
- 1:05 F. CONSIDER: Resolution 1409 CCDC Personnel Manual Update (10 minutes).....Ross Borden

V. **INFORMATION/DISCUSSION ITEMS**

- 1:15 A. Trailhead Report (10 minutes).....Raino Zoller
- 1:25 B. The Grove Plaza Project Schedule and Initial Budget (10 minutes).....Doug Woodruff
- 1:35 C. T1 Designation for The 119 (2 minutes)Shellan Rodriguez
- 1:37 D. T1 Designation for George's Cycles (2 minutes).....Shellan Rodriguez
- 1:39 E. T1 Designation for Paulsen Building (2 minutes).....Shellan Rodriguez
- 1:41 F. T2 Designation for Hyatt Place Hotel at 1045 Bannock St (2 minutes).....Shellan Rodriguez
- 1:43 G. Operations Report (5 minutes).....John Brunelle

VI. **EXECUTIVE SESSION** Deliberate regarding acquisition of an interest in real property which is not owned by a public agency [Idaho Code 67-2345(1)(c)]

VII. **ADJOURN**

This meeting is being conducted in a location accessible to those with physical disabilities. Participants may request reasonable accommodations, including but not limited to a language interpreter, from CCDC to facilitate their participation in the meeting. For assistance with accommodation, contact CCDC at 121 N 9th St, Suite 501 or (208) 384-4264 (TTY Relay 1-800-377-3529).

**Capital City Development Corp
ACH & Cash Disbursements Report
For the Period 11/01/2015 through 11/31/2015**

Board Officer Review

Payee	Description	ACH Date	Amount
ABM/AMPCO Parking:			
Monthly Parkers ACH	Payments from Monthly Parkers	11/9/2015	(8,172.00)
ABM/AMPCO	Parking Operations & Admin Exp - August	11/24/2015	135,576.74
Payroll:			
EFTPS - IRS	Federal Payroll Taxes	11/10/2015	11,405.16
Idaho State Tax Commission	State Payroll Taxes	11/10/2015	2,001.00
CCDC Employees	Direct Deposits Net Pay	11/10/2015	30,545.72
PERSI	Retirement Payment	11/10/2015	10,573.73
EFTPS - IRS	Federal Payroll Taxes	11/25/2015	11,543.60
Idaho State Tax Commission	State Payroll Taxes	11/25/2015	2,029.00
CCDC Employees	Direct Deposits Net Pay	11/25/2015	30,787.28
PERSI	Retirement Payment	11/25/2015	10,800.20
Other:			
Boise City Utility Bills	October Utilities - AutoPay	11/25/2015	489.81
US Bank Credit Cards	Credit Cards	11/3/2015	10,716.93
Paid Invoice's	Other Paid Invoice's	October 2015	368,451.24
Total Paid Invoices	Total Checks and Electronic payments		<u>379,657.98</u>

Grand Totals	Total Payments	\$ <u>616,748.41</u>
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Reviewed by:
Finance Director

[Signature]
Date: 12/9/15

Reviewed by:
Executive Director

[Signature]
Date: 12/9/15

Reviewed by:
Board Member

[Signature]
Date: 12/9/15

Report Criteria:
Detail report type printed

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3935	Ally Structural Consulting L	140	2016 BANNOCK STREET	10/31/2015	1,552.50	61483	11/17/2015
		140	2016 BANNOCK STREET	10/31/2015	2,611.50	61483	11/17/2015
Total 3935:					4,164.00		
1139	American Cleaning Service	45266	Trailhead Cleaning - 12 Mo	11/01/2015	892.10	61484	11/17/2015
Total 1139:					892.10		
3838	American Fire Protection L	7390	Monthly pump inspection &	10/26/2015	185.00	61485	11/17/2015
Total 3838:					185.00		
3559	Aurora Technical Consultin	2078	Cloud storage	11/02/2015	320.40	61486	11/17/2015
		2105	PC Support	10/31/2015	522.50	61486	11/17/2015
Total 3559:					842.90		
1247	Baldwin Lock & Key	148864	Watercooler Locks Chaneg	11/06/2015	101.42	61487	11/17/2015
Total 1247:					101.42		
1292	Berryhill & Co.	12063	Board Meeting lunches 11/	11/09/2015	93.00	61488	11/17/2015
Total 1292:					93.00		
1316	Blue Cross of Idaho	1527400003	Health Insurance - Novemb	11/01/2015	17,298.52	61478	11/01/2015
Total 1316:					17,298.52		
1331	Boise Centre	0008100-IN	Grove maintenance fee - N	11/01/2015	2,450.00	61489	11/17/2015
Total 1331:					2,450.00		
1385	Boise City Utility Billing	0447416001	848 Main St # 0447416001	11/01/2015	5.78	10172	11/25/2015
		0548469002	CD 107 S 9th-Trash servic	11/01/2015	206.98	10172	11/25/2015
		0548469002	RM 107 S 9th-Trash servic	11/01/2015	140.75	10172	11/25/2015
		0548469002	WS 107 S 9th-Trash servic	11/01/2015	66.23	10172	11/25/2015
		0584042003	1401 W Idaho St #0584042	11/01/2015	70.07	10172	11/25/2015
Total 1385:					489.81		
1418	Boise Metro Chamber of C	5761273	Enews Advertising - Brick	11/03/2015	300.00	61490	11/17/2015
		5761273	Enews Advertising - Brick	11/03/2015	30.00-	61490	11/17/2015
Total 1418:					270.00		
1424	Boise Office Equip - Servic	IN633119	Copier maintenance	11/02/2015	308.00	61491	11/17/2015
Total 1424:					308.00		
1454	BOMA Boise	BS4286A	Annual Membership Dues,	10/12/2015	585.00	61492	11/17/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 1454:					585.00		
1556	Caselle Inc.	NOVEMBER	Contract support - NOVEM	11/01/2015	787.33	61479	11/01/2015
Total 1556:					787.33		
3458	CDFA	15803	Annual Member Dues NOV	11/01/2015	525.00	61493	11/17/2015
Total 3458:					525.00		
1703	CSHQA	27975	5th Street Julia Davis Park	10/31/2015	7,031.45	61494	11/17/2015
		27990	Grove Plaza Renovation D	10/31/2015	12,189.06	61494	11/17/2015
		27990	Grove Plaza Renovation D	10/31/2015	1,919.03	61494	11/17/2015
		ZGF SEPT15	Grove Plaza Renovation D	09/30/2015	13,040.00	61494	11/17/2015
Total 1703:					34,179.54		
1787	Downtown Boise Associati	1239	CD Clean Team	10/31/2015	2,193.63	61495	11/17/2015
		1239	RM Clean Team	10/31/2015	1,491.67	61495	11/17/2015
		1239	WS Clean Team	10/31/2015	701.98	61495	11/17/2015
		1240	8th St Clean Team	10/31/2015	546.00	61495	11/17/2015
Total 1787:					4,933.26		
1898	Fiberpipe	1817-17071	Email, Audio, & Domain	11/01/2015	64.90	61496	11/17/2015
Total 1898:					64.90		
3807	FreedomVoice Systems	2015-110105	Monthly Service	11/01/2015	515.92	61497	11/17/2015
Total 3807:					515.92		
3695	Guho Corp.	150101043-0	2015 RMOB Streetscapes	10/31/2015	818,383.62	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	269,978.86-	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	2,980.22	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	6,524.65	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	296,880.83-	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	3,300.00	61498	11/17/2015
		150101043-0	2015 RMOB Streetscapes	10/31/2015	1,562.00	61498	11/17/2015
Total 3695:					65,890.80		
3951	Hale Development	NOV2015	T1 - Idaho Street Townhom	11/13/2015	108,269.34	61499	11/17/2015
Total 3951:					108,269.34		
3732	Hi Tech Color LLC	79013	Grove Brick Mailers	10/29/2015	2,232.00	61500	11/17/2015
		79336	A-Frames - Grove Brick	11/05/2015	210.00	61500	11/17/2015
Total 3732:					2,442.00		
3900	Idaho Records Manageme	0111424	Storage & Delivery Service	11/06/2015	311.21	61501	11/17/2015
Total 3900:					311.21		
3849	Integra Realty Resources	183-2015-01	Boulevard Garage Assess	11/06/2015	6,500.00	61502	11/17/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3849:					6,500.00		
2288	Jensen Belts	1501-11	2015 OB Streetscape Proje	10/31/2015	1,122.90	61503	11/17/2015
		1527-6	Update Downtown Streetsc	10/31/2015	3,219.20	61503	11/17/2015
Total 2288:					4,342.10		
3922	Kevin Martin	11.09.2015	Helath Insurace Deductible	11/09/2015	238.26	10168	11/13/2015
		11.12.2015	Fall 2015 Tuition Reimburs	11/12/2015	1,790.00	10169	11/13/2015
Total 3922:					2,028.26		
2456	Masonry Center Inc.	001-0439246	Bricks for Grove Campaign	10/31/2015	11,608.30	61504	11/17/2015
		001-0441345	Bricks for Grove Campaign	11/09/2015	1,263.80	61504	11/17/2015
Total 2456:					12,872.10		
3950	McAlvain Construction Inc.	115013-01	Grove Pre Construction	10/31/2015	8,209.55	81505	11/17/2015
Total 3950:					6,209.55		
2621	Office Depot Inc.	8022984080	Stamps	10/27/2015	50.00	61506	11/17/2015
		8022984080	Misc office supplies	10/27/2015	39.09	61508	11/17/2015
		8022985490	Misc office supplies	10/27/2015	13.56	61506	11/17/2015
		8022985500	Misc office supplies	10/28/2015	18.49	61506	11/17/2015
		8031806170	Misc office supplles	11/01/2015	57.69	61506	11/17/2015
		8046782240	Misc office supplies	11/07/2015	31.99	61506	11/17/2015
		8046783220	Misc office supplies	11/09/2015	29.99	61506	11/17/2015
Total 2821:					240.81		
3934	Pam Sheldon	INV#2	Records Project	10/31/2015	1,300.00	61507	11/17/2015
Total 3934:					1,300.00		
2774	Pro Care Landscape Mana	4888	617 Ash Street	10/25/2015	94.50	61508	11/17/2015
		4889	621 & 647 ASH St	10/25/2015	203.00	61508	11/17/2015
		4890	8th Street Corridor	10/25/2015	125.00	61508	11/17/2015
		4891	9th and Grove Plaza	10/25/2015	206.00	61508	11/17/2015
		4892	Weeds @ 9th and River	10/25/2015	174.00	61508	11/17/2015
		4893	TO 14-001 Pioneer Street	10/25/2015	158.00	61508	11/17/2015
		4894	TO 14-001 Plum Street Pro	10/25/2015	89.00	61508	11/17/2015
Total 2774:					1,047.50		
3938	Pusher Construction Inc.	DRAW #1	Pioneer Pathway Phase 3	10/31/2015	53,770.00	61509	11/17/2015
Total 3938:					53,770.00		
2798	Quadrant Consulting Inc.	8481	Westside CA and Staking	10/23/2015	3,415.00	61510	11/17/2015
Total 2798:					3,415.00		
3653	Redevelopment Associatio	M16006	Membership Dues	10/01/2015	750.00	61511	11/17/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3653:					750.00		
3896	Rim View LLC	NOVEMBER	Monthly Rent and NNN - Tr	11/01/2015	12,210.00	61480	11/01/2015
Total 3896:					12,210.00		
2888	Roper Investments	OCTOBER 2	Capitol Terrace Condo billi	10/31/2015	2,869.78	61512	11/17/2015
Total 2888:					2,869.78		
3891	Ross Borden	11.17.2015	Health Insurance Reimburs	11/17/2015	1,019.85	10170	11/18/2015
Total 3891:					1,019.85		
3542	Security LLC - Plaza 121	NOV15 CAM	NOV15 Tenant Cams	11/01/2015	46.68	61513	11/17/2015
		NOVEBER 2	Office rent - November 201	11/01/2015	9,837.94	61481	11/01/2015
		OCT15 CAM	OCT15 Tenant Cams	10/01/2015	46.68	61513	11/17/2015
Total 3542:					9,931.30		
3851	Shaver Graphics LLC	3847	Downtown Location Photos	10/31/2015	75.00	61514	11/17/2015
Total 3851:					75.00		
3949	Shellan Rodriguez	11.09.2015	Health Insurance Deductibl	11/09/2015	900.00	10167	11/13/2015
Total 3949:					900.00		
3430	SimplexGrinnell	81879130	Watercooler Fire Extinguis	10/28/2015	118.00	61515	11/17/2015
Total 3430:					118.00		
3831	The Land Group Inc.	0135280	Pioneer Pathway - Phase 3	10/31/2015	642.00	61516	11/17/2015
Total 3831:					642.00		
3170	Treasure Valley Coffee Inc.	2160-042502	Water & Cooler Rental	11/03/2015	87.00	61517	11/17/2015
Total 3170:					87.00		
3233	United Heritage	NOVEMBER	Disability insurance - NOV	11/01/2015	591.87	61518	11/17/2015
Total 3233:					591.87		
3479	US Bank - Copier Lease	289747115	Copier Contr #500-037566	11/01/2015	421.88	61482	11/01/2015
Total 3479:					421.88		
3835	US Bank - Credit Cards	10.26.2015	Ca - Old C. - Team Buildin	10/26/2015	166.28	10166	11/03/2015
		10.26.2015	CA - All My Sons - Move F	10/26/2015	1,157.76	10166	11/03/2015
		10.26.2015	CA - USPS - Civic Partners	10/26/2015	6.74	10166	11/03/2015
		10.26.2015	CA - ULI - Shellan	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	CA - ULI - Todd Bunderson	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	CA - ULI - Pat Shalz	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	CA - Albertsons - Kitchen S	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	Ca - Overstock.com - Lobb	10/26/2015	327.80	10166	11/03/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		10.26.2015	Ca - Overstock.com - Dam	10/26/2015	40.00-	10166	11/03/2015
		10.26.2015	CA - Walmart - Kitchen Su	10/26/2015	7.74	10166	11/03/2015
		10.26.2015	CA- Zazzle.com - Birthday	10/26/2015	18.82	10166	11/03/2015
		10.28.2015	CA - Main Street Deli - Lun	10/26/2015	102.75	10166	11/03/2015
		10.26.2015	PB - UPS Store - Shipping	10/26/2015	14.84	10166	11/03/2015
		10.26.2015	PB - Michaels - Office Rem	10/26/2015	9.53	10166	11/03/2015
		10.26.2015	JB - Starbucks - ULI Confe	10/26/2015	7.70	10166	11/03/2015
		10.26.2015	JB - Scalas Bistro - ULI Co	10/26/2015	77.65	10166	11/03/2015
		10.26.2015	JB - E&O Kitchen - ULI Co	10/26/2015	96.43	10166	11/03/2015
		10.26.2015	JB - Hyatt Hotel - ULI Conf	10/26/2015	1,022.01	10166	11/03/2015
		10.28.2015	TB - BART SFIA - ULI Conf	10/26/2015	8.65	10166	11/03/2015
		10.26.2015	TB - Target-Food - ULI Co	10/26/2015	5.20	10166	11/03/2015
		10.26.2015	TB - Target-Food - ULI Co	10/26/2015	7.50	10166	11/03/2015
		10.26.2015	TB - Oasis Grill - ULI Conf.	10/26/2015	11.23	10166	11/03/2015
		10.26.2015	TB - BART Powell - ULI Co	10/26/2015	8.65	10166	11/03/2015
		10.26.2015	TB - Starbucks - ULI Conf.	10/26/2015	4.40	10166	11/03/2015
		10.26.2015	TB - Drake Hotel - ULI Con	10/26/2015	1,336.80	10166	11/03/2015
		10.26.2015	MC - The Grove - IDA Conf	10/26/2015	20.48	10166	11/03/2015
		10.26.2015	MC - The Stinking Rose - I	10/26/2015	47.02	10166	11/03/2015
		10.26.2015	MC - Marriott Hotel - IDA C	10/26/2015	10.93	10166	11/03/2015
		10.26.2015	MC - Marriott Hotel - IDA C	10/26/2015	1,346.84	10166	11/03/2015
		10.26.2015	JC - DK Donuts - FY2016	10/26/2015	20.95	10166	11/03/2015
		10.26.2015	JC - BYP Renewal	10/26/2015	55.00	10166	11/03/2015
		10.26.2015	BH - Idaho Power - WC Po	10/26/2015	1,441.73	10166	11/03/2015
		10.26.2015	BH - PODS - Furniture Stor	10/26/2015	176.14	10166	11/03/2015
		10.26.2015	BH - PODS - Furniture Stor	10/26/2015	176.14	10166	11/03/2015
		10.26.2015	BH - Promo Shop - Safety	10/26/2015	290.39	10166	11/03/2015
		10.26.2015	BH - Arch, Building Supply	10/26/2015	76.32	10166	11/03/2015
		10.26.2015	DL - Janjou Patisserie - Oc	10/26/2015	87.42	10166	11/03/2015
		10.26.2015	DL - City Club of Boise - M	10/26/2015	18.00	10166	11/03/2015
		10.26.2015	DL - Grow Smart - John B.	10/26/2015	70.00	10166	11/03/2015
		10.26.2015	KM - Naked Fish - Caselle	10/26/2015	27.63	10166	11/03/2015
		10.26.2015	KM - Square Taxi - Caselle	10/26/2015	13.60	10166	11/03/2015
		10.26.2015	KM - Square Taxi - Caselle	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	KM - Delta Air - Caselle Co	10/26/2015	25.00	10166	11/03/2015
		10.26.2015	KM - Marriott/Starbucks -	10/26/2015	5.28	10166	11/03/2015
		10.26.2015	KM - Redrock - Food - Cas	10/26/2015	25.88	10166	11/03/2015
		10.26.2015	KM - Whiskey Street - Foo	10/26/2015	16.80	10166	11/03/2015
		10.26.2015	KM - Square Taxi - Food -	10/26/2015	30.00	10166	11/03/2015
		10.26.2015	KM - Square Taxi - Caselle	10/26/2015	33.00	10166	11/03/2015
		10.26.2015	KM - Marriott - Caselle Con	10/26/2015	371.58	10166	11/03/2015
		10.26.2015	KM - Marriott/Starbucks - C	10/26/2015	6.66	10166	11/03/2015
		10.26.2015	KM - Delta Air - Caselle Co	10/26/2015	25.00	10166	11/03/2015
		10.26.2015	KM - eSmart Payroll - 941	10/26/2015	4.95	10166	11/03/2015
		10.26.2015	LW - ULI - Real Estate Tre	10/26/2015	25.00	10166	11/03/2015
		10.26.2015	LW - Bluebeam Software -	10/26/2015	249.00	10166	11/03/2015
		10.26.2015	LW - Idaho Statesman - Bri	10/26/2015	150.00	10166	11/03/2015
		10.26.2015	LW - Go Lead Idaho - Laur	10/26/2015	200.00	10166	11/03/2015
		10.26.2015	LW - Idaho Statesman - Bri	10/26/2015	624.75	10166	11/03/2015
		10.26.2015	LW - Idaho Statesman - Bri	10/26/2015	522.75	10166	11/03/2015
		10.26.2015	CA - Albertsons - Kitchen S	10/26/2015			
		10.26.2015A	CA - Albertsons - Kicthen S	10/26/2015	44.23	10166	11/03/2015
Total 3835:					10,716.93		
3365	Westerberg & Associates	179	Legislative Advisement Ser	10/30/2015	2,000.00	61519	11/17/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3365:					2,000.00		
Grand Totals:					379,657.98		

Report Criteria:
Detail report type printed

MINUTES OF REGULAR MEETING
BOARD OF COMMISSIONERS
CAPITAL CITY DEVELOPMENT CORPORATION
121 N. 9th St., Conference Room
Boise, ID 83702
November 9, 2015 12:00 p.m.

I. CALL TO ORDER:

Chairman Hale convened the meeting with a quorum at 12:00 p.m.

Present were: Commissioner Dana Zuckerman, Commissioner Lauren McLean, Commissioner Ryan Woodings, Commissioner David Eberle, Commissioner Stacy Pearson, and Commissioner John Hale. Commissioners Pat Shalz and David Bieter were absent.

Agency staff members present were: John Brunelle, Executive Director; Todd Bunderson, Development Director; Ross Borden, Finance Director; Mary Watson, Contracts Manager; Peggy Breski, Contracts Specialist; Doug Woodruff, Project Manager; Shellan Rodriguez, Project Manager; Karl Woods, Project Manager; Laura Williams, Project Specialist; Deah LaFollette, Executive Assistant; and Céline Acord, Administrative Project Assistant. Also present was Agency legal counsel, Ryan Armbruster.

II. AGENDA CHANGES/ADDITIONS:

There was a proposed addition to the agenda:

Add an item to Action Item A, to review and authorize the Executive Director to sign the conflict of interest waiver regarding bond counsel services. This issue surfaced after the meeting agenda was posted.

Commissioner Eberle moved to add the above referenced agenda item as this issue surfaced after the meeting agenda was posted. Commissioner Zuckerman seconded the motion. All said Aye. The motion carried 6-0.

There was a proposed change to the agenda:

Action Item E "Resolution 1409 CCDC Personnel Manual Update" to become Information Item C.

Commissioner Eberle moved for 4.E to become 5.C. Commissioner Zuckerman seconded the motion. All said Aye. The motion carried 6-0.

III. CONSENT AGENDA:

Commissioner Eberle moved to approve the Consent Agenda. Commissioner Zuckerman seconded the motion.

All said Aye. The motion carried 6-0.

The Consent Agenda consisted of the following actions:

- A. Expenses
 - 1. Approval of Paid Invoice Report - October 2015
- B. Minutes and Reports
 - 1. Approval of Meeting Minutes from October 13, 2015
- C. Other
 - 1. Adopt Resolution 1417 Records Disposition
 - 2. Adopt Resolution 1413 Approve Contract Award for Brick Engraving Services

IV. ACTION ITEMS:

A. CONSIDER: The District Expansion Centre Building Conduit Financing Process and Schedule and CONSIDER: Review and Authorize the Executive Director to Sign the Conflict of Interest Waiver Regarding Bond Counsel Services

Ross Borden, CCDC Finance Director, gave a report on the conduit financing process and schedule.

Eric Heringer, CCDC Financial Advisor from Piper Jaffray, also provided a report regarding the financing process and schedule.

Commissioner Eberle moved to concur with the Centre Building Financing Plan as presented. Commissioner Zuckerman seconded the motion.

Ryan Armbruster, Agency legal counsel, gave a report on the conflict of interest waiver.

Commissioner Eberle moved to approve the conflict of interest letter waiver and authorize the Executive Director to sign the conflict of interest waiver upon waiver of the conflict of interest by the District. Commissioner Zuckerman seconded the motion.

All said Aye. The motion carried 6-0.

B. CONSIDER: Resolution 1418 Approve the First Amendment to the Amended and Restated Development Agreement with The District

Ross Borden, CCDC Finance Director, gave a report.

Commissioner Zuckerman moved adoption of Resolution 1418 approving the First Amendment into the Amended and Restated Development Agreement. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

C. CONSIDER: Approve The Grove Plaza Renovation Design

Doug Woodruff, CCDC Project Manager, gave a report.

Commissioner Zuckerman moved to approve The Grove Plaza renovation design with consideration concerning the building wall treatment along the south spoke of the Grove and authorize staff to apply for jurisdictional approvals and proceed with technical drawings for construction. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

D. CONSIDER: Resolution 1416 CSHQA Task Order for Renovation Engineering and Construction Administration Services

Doug Woodruff, CCDC Project Manager, gave a report.

Commissioner Zuckerman moved to adopt Resolution No. 1416 authorizing the Agency's Executive Director to negotiate and execute a task order with CSHQA for professional design, engineering, and construction administrations services needed to complete the renovation of The Grove Plaza. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

E. CONSIDER: Resolution 1409 CCDC Personnel Manual Update

This item became Information Item C.

F. CONSIDER: Request Authorization to Distribute Proposed Modifications to Parking Rates to Permit Holders and Stakeholders

Ryan Armbruster, Agency legal counsel, gave a report in Max Clark's, CCDC Parking & Facilities Director, absence.

Commissioner Zuckerman moved that staff be authorized to distribute proposed modifications to monthly parking rates to permit holders and stakeholders; and to set the December 14, 2015 Board meeting to receive comment regarding proposed rate increases. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

G. CONSIDER: Transmit Downtown Boise Streetscape Standards and Specifications Manual to City of Boise for Adoption

Matt Edmond, CCDC Project Manager, gave a report.

Sarah Schafer, representing the City of Boise, also provided comment.

Commissioner Zuckerman moved to approve transmittal of the Downtown Boise Streetscape Standards & Specifications Manual to the City of Boise for adoption into Blueprint Boise. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 6-0.

V. INFORMATION/DISCUSSION ITEMS:

A. Request for T4 Assistance for Idaho Historical Museum Streetscape

Matt Edmond, CCDC Project Manager, gave a report.

B. Operations Report

John Brunelle, CCDC Executive Director, gave a report.

C. CCDC Personnel Manual Update

Ross Borden, CCDC Finance Director, gave a report.

VI. ADJOURNMENT:

There being no further business to come before the Board, a motion was made by Commissioner Zuckerman to adjourn the meeting. Commissioner Eberle seconded the motion.

All said Aye.

The meeting was adjourned at 1:28 p.m.

ADOPTED BY THE BOARD OF DIRECTORS OF THE CAPITAL CITY DEVELOPMENT CORPORATION ON THE ____ day of _____, 2015.

John Hale, Chair

Pat Shalz, Secretary



AGENDA BILL

Agenda Subject: Text Edits to CCDC Participation Program Manual		Date: December 14, 2015
Staff Contact: Matt Edmond	Attachments: 1) Redlined Participation Program Manual (9/14/2015)	
Action Requested: Approval of the redline text clarifications.		

Background:

The proposed text edits to the adopted CCDC Participation Program are to better clarify existing language and reduce ambiguity. The proposed edits do not constitute substantive policy changes to the CCDC Participation Program.

Fiscal Notes:

The proposed amendments to the Participation Program have no anticipated fiscal impacts.

Staff Recommendation:

Staff recommends the Board approve the redline text changes to the Participation Program as presented.

Suggested Motion:

I move for approval of the updated and amended Participation Program as presented.



PARTICIPATION PROGRAM

Stimulating downtown development with public infrastructure

Overview & Goals

The Participation Program is CCDC's development assistance program and is designed to advance the aims of urban renewal and economic development in Downtown Boise, as well as goals identified for Downtown Boise as identified in the Boise City comprehensive plan, Blueprint Boise. The Program is crafted to be transparent, understandable, and responsive in order to encourage private investment in Downtown Boise. The Program is intended to be comprehensive providing both structure and flexibility in assisting development projects within its several redevelopment districts. The Program represents the Board's policy on development participation. The Program is not an entitlement, and may be amended from time to time, suspended, or terminated, and any individual project participation provided is subject to prior approval by the Board via written agreement.

The program identifies five approaches to anticipated participation with development interests:

- 1) Streetscape Grant
- 2) General Assistance
- 3) Transformative Assistance
- 4) Public-Private Project Coordination
- 5) Property Disposition

The primary goals of the Participation Program are to align resource use with the CCDC strategic plan to **improve, develop, and grow the economy** in pursuit of the following three goals:

- Improve conditions
- Promote development
- Fuel economic growth

Statutory Framework

CCDC is enabled by two sections of Idaho Code, the Urban Renewal Law and the Economic Development Act (key excerpts provided):

Idaho Code 50-2002 URBAN RENEWAL LAW (excerpt)

"...It is found that there exist in municipalities of the state deteriorated and deteriorating areas which constitute a serious and growing menace..." "...It is further found and declared that certain of such areas, or portions thereof, may require acquisition, clearance, and disposition...in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented..."

Idaho Code 50-2902 ECONOMIC DEVELOPMENT ACT (excerpt)

"...It is hereby found and declared that there exists in municipalities a need to raise revenue to finance the economic growth and development of urban renewal areas, to encourage private development..., arrest the decay of urban areas..., promote needed public improvements..., facilitate the long-term growth of their common tax base..., encourage private investment..."

This enabling legislation informs the purview of everything CCDC does as an urban renewal agency. As such, the Participation Program provides a framework to promote compliance with Idaho law. Excerpts of Idaho state code below offer insight into the program design.

URBAN RENEWAL LAW (excerpt) Idaho Code 50-2007

“... (b) to provide or to arrange or contract for the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with an urban renewal project; to install, construct, and reconstruct streets, utilities, parks, playgrounds, off-street parking facilities, public facilities, other buildings or public improvements; and any improvements necessary or incidental to a redevelopment project...”

Idaho Code 50-2007 (excerpt)

“... (j) in addition to its powers under subsection (b) of this section, an agency may construct... structural forms necessary for the provision or utilization of air rights sites for buildings and to be used for residential, commercial, industrial, and other uses contemplated by the urban renewal plan, and to provide utilities to the development site...”

Idaho Code 50-2011 (excerpt)

“(a) An urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use, or may retain such property or interest for public use...”

Key Program Requirements

- The following uses are ineligible activities: bikini bars and sexually oriented businesses as defined by Boise City Code.
- Each program approach (Type 1-3) is mutually exclusive for an individual project meaning a project can only participate in one program per project.
- Each program where eligible costs are involved will only pay for those CCDC approved expenses not otherwise paid for by another public entity.
- Program eligibility is at sole discretion of CCDC and eligibility dates may apply.
- ~~Participants~~ Parties seeking participation program assistance should be encouraged to contact CCDC as early in the development process as possible and preferably at the idea stage well before site acquisition, entitlement, type of use determination, and site/building design. CCDC will not entertain requests for assistance after a certificate of occupancy has been granted.
- Projects located on properties with delinquent property taxes are not eligible.
- All individual projects should advance urban renewal plans for downtown Boise. Projects which do not advance plans may not be approved.
- On a case by case basis, the Board may consider a program exception if, in its sole judgment, certain necessary and sufficient conditions exist to warrant the modification of one or more of the program requirements for a project.
- CCDC is a public agency with extensive state laws and agency rules governing our operations and assistance. CCDC has an board approved program of assistance and standard contracts which comply with these laws and rules. These contracts have been vetted extensively with the development community, used for years, are balanced, fair and have worked very well for a many varied types of developments. CCDC's assistance is not an entitlement; it is discretionary incentive. There is no obligation to request assistance but if assistance is requested, with limited exceptions, CCDC uses its standard program contract forms.

Blueprint Boise Goals for Downtown Boise

The following are goals for the Downtown Boise Planning Area as identified in Boise City's comprehensive plan, Blueprint Boise. How well a given project advances one or more of these goals may be considered for certain types of participation assistance.

Centers, Corridors & Neighborhoods

- Maintain Downtown as the civic, economic, educational, social and cultural center of the city and region.
- Create in-town residential neighborhoods and increase the amount and range of housing choices available in Downtown and adjacent neighborhoods.
- Encourage redevelopment of surface parking lots and other underutilized properties.

Parking

- Implement a Downtown wide parking system that coordinates all on and off-street parking resources.

Connectivity

- Develop a robust, multimodal transportation system in Downtown, with an emphasis on transit, bicycle, and pedestrian circulation and safety.
- Continue to develop a framework of streets, paths and open spaces that builds upon existing networks and strengthen connections to the Boise River and Downtown sub-districts.

Public Services & Facilities

- Maximize the use of existing infrastructure Downtown and make improvements as needed as development intensifies.

Neighborhood Character

- Use Downtown development as a model for sustainable land use, development, and construction practices.
- Create a safe, clean, and enjoyable environment for businesses, residents, and visitors in Downtown.
- Recognize the role religious institutions and other service providers play in the success of Downtown.
- Set a high standard for the quality of urban design, building design, and construction in Downtown, especially in the CBD.

Culture, Education & Arts

- Maintain Downtown as the cultural center for the community and the region.
- Retain and expand K-12 educational facilities, higher education, and a variety of learning opportunities in Downtown.
- Recognize and protect the historic resources in Downtown.

Economic Development

- Create and maintain a prosperous economy in Downtown.
- Strive to keep Downtown's economy diversified.
- Find an appropriate balance between the demands for economic prosperity, historic preservation, and quality design in reviewing development applications.

A to Z Best Practices

CCDC's Participation Program in Boise is anchored by Idaho Code and tailored to work in downtown Boise. However, there are some generally accepted best practices described by professional associations. These practices, guided by state law and, coupled with actual experience in the business of redevelopment, form the basis of the Program. The A to Z guide summarizes key ideas incorporated into the Program.

- a) Statutorily compliant participation (both letter & intent)
- b) Serves the public interest (legally eligible & politically sensible)
- c) Consistent with Boise City plans
- d) Consistent with CCDC URA and strategic plans
- e) Capped participation (within and below anticipated income collections)
- f) Proactive agency-driven approach
- g) Ensure due diligence for larger projects (evaluate risks, financing, issues, conflicts, partners, capacity, experience, stakeholders)
- h) Ensure a transparent process
- i) Accountability (conduct financial analysis, determine identifiable community needs, assess potential project impact of larger projects)
- j) Accessibility (program is broadly available)
- k) Conduct neighborhood-stakeholder outreach/input on key projects
- l) Emphasize early intergovernmental communication and coordination
- m) Ensure fairness in program design and delivery
- n) Ensure program is understandable
- o) Program and contracts are publicly, proactively communicated
- p) Measure effectiveness of results
- q) Review program annually, adjust, and improve
- r) Program is not an entitlement and all contracts are subject to board approval
- s) Basic eligibility requirements to participate are identified
- t) Eligible costs participation emphasizes visible public improvements
- u) Scoring criteria uses clear, standardized approach
- v) Specialized ad hoc advisory teams may be used for review and advice on large projects or intergovernmental projects
- w) All project agreements are approved in public meetings and include opportunity for advance public comment on the project
- x) Maintain open records on program utilization and awards
- y) Actively promote program
- z) Administer program consistently

Type 1: Streetscape Grant

Criteria: Type 1 participation provides grants for streetscape improvements and is intended to assist smaller projects on their own schedule, often triggered by a tenant improvement. ~~The grant program is determined and limited by the CCDC annual budget appropriation, and as such, will be awarded on a first come, first served basis for only as long as budgeted funding is available.~~

Eligible Costs: The grant allows for assistance in legally eligible public improvements in the right-of-way. Eligible costs for streetscape grants generally include:

- Curb, gutter and sidewalk
- Canopies over public right of way
- Historic street lights
- Street trees, tree grates, irrigation, and suspended paving systems where appropriate
- Street furnishings, including benches, bike racks, bollards, and trash receptacles
- Infrastructure in the right of way (streets, utilities, domestic water, geothermal water, sewer, power, phone, fiber) not including individual service lines.
- ~~Curb cuts and driveway approaches, other than for alley approaches or consolidated driveways,~~ are generally not eligible for reimbursement. Exceptions to this include alley approaches and may include projects that consolidate or otherwise significantly reduce the number or width of previously existing driveways on a frontage.

Reimbursement is for hard costs and does not include soft costs. CCDC limits eligible hard costs to materials and labor. (Examples of soft costs not eligible for reimbursement include but are not limited to architectural and engineering design, permits, traffic control, mobilization, and overhead.)

The grant will provide resources covering the first \$150,000 of actual eligible and CCDC approved expenses for streetscape improvements.

Timing: ~~The application period is semi-annually (Fall/Spring).~~ Streetscape grant applications can be submitted anytime and are processed in the order received. Grant awards are limited to available resources set forth in the budget. Streetscape grant agreements will generally be considered for approval by the CCDC Board after approval of a design review or relevant development application that includes the proposed streetscape improvements. A T1 Streetscape Grant agreement is effective the date it is

signed by both parties. Awarded grants are paid based on actual expenses as documented after project completion and pursuant to an executed reimbursement agreement.

Type 2: General Assistance (non-CCDC property)

Criteria: Type 2 participation provides general assistance and is intended to assist a larger ~~and/or more involved~~ project and includes a broader definition of eligible costs. A project Scorecard and definitions, scored by CCDC, is a key feature of this assistance (attached). The legal parcel constitutes the site for a project. However, at the Board's discretion, a phased development on a full city block single parcel with a vacated alley may be scored on the phasing if this better advances program goals. The scoring criteria and point values are an extension of the statutory charge of urban renewal and the associated adopted plans, and are aimed at advancing the Board's goals of improving conditions, promoting development, and growing the economy. ~~Generally, the criteria with higher points represent either higher valued development elements, address higher cost elements, or consider best practices in urban form and function.~~ Scoring results are identified as Tier 1, 2 and 3; with Tier 1 being the highest scoring Tier. **Eligible Costs** for Type 2 participation include the following:

- Streetscape in the right of way (curb and gutter, sidewalk, street lights, canopies over right of way, irrigation, street trees, benches, bike racks, and suspended paving systems where appropriate)
- Infrastructure in the right of way (streets, utilities, domestic water, geothermal water, sewer, power, phone, fiber) not including individual service lines.
- Certain qualifying expenses for ~~commercial and condominium~~ buildings (per Boise City & CCDC) relating to exterior façade restoration improvements for buildings deemed to be of significant historic and/or aesthetic value to the public and conditioned upon the donation and acceptance by the City of Boise of a perpetual building façade easement. All terms and conditions must be consistent with City of Boise requirements (ordinances, guidelines, or policies, etc.).
- Certain site remediation improvements as may be preparatory to construction are evaluated on a case by case basis. An example of an eligible environmental remediation cost would be the hard costs for the removal of an underground storage tank in the public right of way. Soft costs, such as environmental assessments and costs within a private building, such as asbestos abatement, are not eligible for general assistance.
- Actual eligible costs are reimbursed in priority order as listed above.
- Reimbursement is for hard costs and does not include soft costs. CCDC limits eligible hard costs to materials and labor. (Examples of soft costs not eligible for reimbursement include but are not limited to architectural and engineering design, permits, traffic control, mobilization, and overhead.)
- Curb cuts and driveway approaches, ~~other than for alley approaches or consolidated driveways,~~ are generally not eligible for reimbursement.

Exceptions to this include alley approaches and may include projects that consolidate or otherwise significantly reduce the number or width of previously existing driveways on a frontage.

Reimbursement: Assistance is limited by the lesser of the agreed upon eligible costs of the project or a portion of the project’s tax increment value as determined by its scorecard ranking. Actual legally eligible costs must be verified and approved by CCDC and will include only reasonably incurred costs. All costs must be verified or verified through invoice documentation and/or a schedule of values.

As determined by CCDC, maximum reimbursement possible is the actual increment income received from the project for the first full four (4) years of assessment, multiplied by the factor associated with the score received by the project, as follows:

Tier 1: Factor of 0.8 **Tier 2:** Factor of 0.6 **Tier 3:** Factor of 0.4

Estimates of tax valuation can be done by CCDC as requested and typically would conservatively assume 80% of estimated construction project cost to account for variances which may occur in the Ada County Assessor property valuation process. Project costs are defined as all costs of the project including, but not limited to: land, hard costs, soft costs, financing costs, fees and permits for on and off site work, public improvements, and buildings.

An example of the calculation used to estimate assistance for a ~~\$6.25M T1~~\$5.0 million Tier 1 scoring project would be as follows: ~~\$6,250,000~~\$5,000,000 estimated construction valueproject cost x 80% = ~~\$5,000,000~~\$4,000,000 taxable value x total levy rate of ~~.01400~~.015* = ~~\$70,000~~\$60,000 x .8 factor = ~~\$56,000~~\$48,000 per year x 4 years = ~~\$224,000~~\$192,000. Reimbursement payments are made to the developer over the first four years of full assessment based on actual assessed values and actual collected revenues up to the not-to-exceed amount identified in the agreement. Actual assessed values are determined solely by the Ada County Assessor.

Examples of participation for three projects sizes using construction value is as followsbased on project costs:

Example Scoring	Small: \$5,000,000 Project Cost	Medium: \$10,000,000 Project Cost	Large: \$20,000,000 Project Cost
Tier 1	\$ 179,200	\$ 358,400	\$ 716,800
	\$ 192,000	\$ 384,000	\$ 768,000
Tier 2	\$ 134,400	\$ 268,800	\$ 537,600
	\$ 144,000	\$ 288,000	\$ 576,000
Tier 3	\$ 89,600	\$ 179,200	\$ 358,400
	\$ 96,000	\$ 192,000	\$ 384,000

* A levy rate of 0.015 is assumed for the Central Boise, River Myrtle – Old Boise, and Westside Downtown Districts. The 30th Street District, though not reflected in this example table, would have a levy rate of 0.014.

Timing: Type 2 assistance can be applied for at any time prior to obtaining a certificate of occupancy but preferably before project design. General assistance

agreements will generally be considered for approval by the CCDC Board after approval of a development application that includes the proposed improvements eligible for reimbursement. A Type 2 agreement is effective the date it is signed by both parties. Reimbursement payments will begin in the first full year of annual increment received by CCDC after project completion and issuance of a certificate of occupancy. Reimbursement payments will stop once eligible costs have been paid in full, four years after reimbursement payments began, or within one year of the expiration date of the revenue allocation district, whichever occurs first.

Type 3: Transformative Assistance (non-CCDC property)

Criteria: The intent of the Type 3 assistance is to make available a more customized opportunity for transformative projects and to consider certain projects which don't otherwise fit well into the other program types. Type 3 participation is available to assist large public or private projects that are deemed by the CCDC Board to be transformative in nature and of benefit to the community at large. In general, a transformative project is a higher value project that may include the construction of a significant public facility. The project should have a high likelihood of maintaining an enduring presence in the community. This may include one or more of the following:

- Publicly available structured parking
- Public pathway
- Public plaza
- Special event/sports venue
- Public infrastructure
- Transit facility

The private to public investment ratio (private project cost divided by CCDC cost) for a transformative projects should generally be 6:1 or higher. For example a \$60 million private project coupled with a \$10 million public facility funded by CCDC would have a 6:1 private/public (CCDC) ratio (60 divided by 10 equals 6).

The goal for intergovernmental projects is to use limited district monies to leverage additional resources (federal, state, local, other) into the downtown revitalization effort to achieve redevelopment goals. For example, matching a federal grant for construction of a physical project, or shared funding between intergovernmental units for construction of a public facility. The project and cost share will be determined by the Board and governmental partner. Because projects for public facilities will most likely be exempt from property tax and will produce no tax increment income, such projects should be financially feasible based on other considerations, serve mutual goals, and produce a community benefit.)

Evaluation: ~~A private or public development can present a project to the~~

~~Executive Director at any time.~~ At the Executive Director's request, the Board may consider a project for candidate status as a special project permitting more formal evaluation. All final agreements require Board approval.

Projects being considered for Type 3 assistance will receive a greater degree of scrutiny than those considered for Type 1 or Type 2 assistance. CCDC may either require or pay for community/stakeholder outreach. CCDC may pay for and conduct a financial feasibility study which may include a "but for" test (but for the assistance, the viability of the project is questionable). This assessment may also identify eligible costs for project participation and funding alternatives. The project should produce a net positive gain for the community after any public participation. CCDC may pay for and conduct an economic impact study or may require an examination of a developer project portfolio, financial capacity, and references, etc.

Timing: Many of the timing elements of Type 3 assistance are determined on a case by case basis. A Type 3 agreement is effective the date it is signed by both parties.

Financing/Reimbursement: CCDC bonding will be subject to financial review and underwriting requirements. Generally, financial participation will be transacted as a reimbursement or purchase upon project/public facility completion and certificate of occupancy.

Type 4: Public-Private Project Coordination

Criteria: Type 4 participation coordinates CCDC-initiated capital improvement activities with capital improvement activities of private development and/or other public agencies. Projects eligible for Type 4 participation are generally those identified in the adopted CCDC Capital Improvements Plan that is in effect and available on the CCDC website. The Board retains all discretion in determining the projects, timing, design, and locations of capital improvements.

Background: ~~The Board conducts an ongoing robust program of improving public infrastructure serving the downtown as a part of its Capital Improvement Plan (CIP). The CIP is based on a wide variety of economic factors such as: physical conditions, market dynamics, district resources, business cycles, construction schedules, seasonality, weather, staff capacity, regulatory requirements of local governments, and related intergovernmental projects, etc. Therefore, any adjustment to the CIP is a function of these variables along with other factors and no development should expect or rely on the CIP in lieu of other program options.~~

The CIP is typically updated as part of the CCDC strategic planning and budgeting process. Adjusting, co-timing and/or accelerating CIP projects in coordination with private development can be beneficial and can create

efficiencies in the construction of physical improvements.

Eligible Costs: Eligible costs are generally as outlined in the adopted CCDC Capital Improvements Plan in effect.

Process: CCDC invites conversation about private project plans and timing to inform development of future CIP plans.

CCDC can design, bid and build a CIP project independently of the private project or intergovernmental project. CCDC can also, in certain circumstances and subject to applicable law, sub-contract construction with a private development on a public project element.

CCDC can enter into intergovernmental agreements to cooperatively participate in joint capital improvement projects.

Timing: A Type 4 agreement is effective the date it is signed by both parties.

Type 5: Property disposition (CCDC-owned property)

Criteria: Type 5 participation is the disposition of property owned by CCDC, ~~including the strategic acquisition of land/buildings and disposition of land targeted~~ for a redevelopment purpose. The property disposition process is governed by state statute and differentiates between disposition to a for-profit (or private use), to a non-profit, and to a public (or governmental) body. This program meets or exceeds the statutory requirements in providing for competitive processes in property disposition (not required for disposition of land to public entities).

Process: CCDC's property disposition process for private/non-profit development use will involve an open competitive RFP/Q ~~(Request for Proposals/ and/or Qualifications)~~ (RFQ/P) process for properties ~~being redeveloped~~. Properties may be transferred to another public entity without an RFP and smaller remnant parcels may not warrant an RFP. This process will also require a commercial appraisal, a re-use appraisal, and the proposed project will be in accordance with the applicable urban renewal plan.

The following table outlines the key types of disposition.

Disposition	Process	Condition	Value
For-profit	Competitive Process	Performance Schedule	≥ Fair value of uses
Non-profit	Competitive Process	Performance Schedule	≥ Fair value of uses
Public Body	n/a	Performance Schedule	n/a

A variety of customized public-private project possibilities exist in the strategic

disposition and development of property under the property disposition process. ~~The particulars of the project, terms/conditions, and project objectives are individually customized to the property and identified in the RFP. RFP's can be locally, regionally or nationally conducted~~ and can address a variety of priorities, objectives, terms and conditions-

The disposition of any property for private/ or nonprofit development will be ~~codified~~ formalized in a ~~Development and Disposition and Development~~ Agreement (DDA) which will require a determination of fair value for the proposed use, which may be stipulated or restricted, ~~in furtherance based on~~ of the property redevelopment objectives. A re-use appraisal type or similar method of the kind and nature suitable to the individual property redevelopment goals will be used to establish pricing. A commercial appraisal will also be done and a price established for initial disposition of the property to begin the project. If any rebate of property value as advised by the re- use appraisal is ~~warranted~~ determined it will only be made after project completion/CO.

Timing: CCDC's property disposition process will stipulate a minimum timeframe for development to occur. ~~In general, the expected timeline may be shorter than but not longer than 18 months from RFP award to building permit and shorter but not longer than 30 months from building permit to certificate of occupancy/completion.~~

Partnership Program Application Process

- 1) Streetscape Grant — Complete Application Form
- 2) General Assistance — Complete Application Form
- 3) Transformative Assistance — Present Project to Executive Director/Board
- 4) Public-Private Project Coordination — Discuss with Executive Director/Board
- 5) Property Disposition — Respond to Request for Proposal (RFP)



SCORECARD
Type 2 Projects



CCDC PARTICIPATION PROGRAM SCORECARD

Improve Conditions - Promote Development - Grow Economy

Terms within this scorecard are defined on the following pages

- 1 **Activate Dormant/Disinvested Sites (1 Only)**
- 2 **Reuse of Targeted Sites (1 Only)**
- 3 **Environmental Remediation (1 Only)**
- 4 **Utility Infrastructure**
- 5 **Connectivity**
- 6 **Compact Development (1 Only)**
- 7 **Parking Placement & Design (1 Only)**
- 8 **Targeted Uses (1 Only)**
- 9 **Walkability**
- 10 **Sustainable Building (1 Only)**

SCORING

Tier 1 +140 points

Tier 2 +120 points

Tier 3 +100 points

1 Activate Dormant/Disinvested Sites (1 Only)	a reuse of existing building	20
	b convert surface parking	18
	c replace dormant building	16
	d reuse of vacant land	10
2 Reuse of Targeted Sites (1 Only)	a reuse of historic register building	20
	b reuse of automotive site	15
	c reuse of dry cleaner site	15
3 Environmental Remediation (1 Only)	a >\$100,001 costs	20
	b \$50,001-\$100,000 costs	16
	c \$10,000-\$50,000 costs	12
4 Utility Infrastructure (all that apply)	a replace or expand geothermal	15
	b stormwater mitigation	15
	c replace or expand fiber	15
	d replace or expand power	15
	e replace or expand sewer	15
	f replace or expand water	15
5 Connectivity (all that apply)	a add a street	20
	b add a ground level plaza	19
	c add an alley	17
	d add a pathway	15
	e add or substantially improve a sidewalk	10

CCDC PARTICIPATION PROGRAM SCORECARD

- CONTINUED -

Improve Conditions - Promote Development - Grow Economy

6	Compact Development (1 Only)	
a	4.0 to 5.0+ FAR	10
b	3.0 to 3.9 FAR	9
c	2.0 to 2.9 FAR	8
d	1.0 to 1.9 FAR	7
e	0.5 to 0.9 FAR	6
7	Parking Placement & Design (1 Only)	
a	structured parking below grade	20
b	structured parking above grade	18
c	no surface parking	15
d	parking location is to rear or interior of building	10
e	parking is screened by wall, fence, sunken	8
8	Targeted Uses (1 Only)	
a	workforce housing	10
b	technology	10
c	corporate HQ	10
d	education	10
e	artisan	10
f	light manufacturing/assembly	10
9	Walkability (all that apply)	
a	=/> 70% of sidewalk/setback is abutted by ground floor building face	20
b	=/> 60% ground floor glazing on street frontages (30% res)	18
c	=/> 12' ground floor height	15
d	main entry is prominent, ground floor, and faces street/not parking	15
e	=/> 75% ground floor frontage has functional awnings (30% res)	10
f	public art element	5
10	Sustainable Building (1 Only)	
a	living building cert	10
b	LEED platinum	8
c	LEED gold	7
d	LEED silver	6
e	connect to/use geothermal system	5
f	green globes cert	4
g	energy star cert	4



SCORECARD DEFINITIONS

CCDC PARTICIPATION PROGRAM

Criteria Purpose, Definitions and Minimum Specifications

Purpose 1-10 (and) Definitions a-g

- a) Reimbursement is for hard costs and does not include soft costs. CCDC limits eligible hard costs to materials and labor. (Examples of soft costs not eligible for reimbursement include but are not limited to architectural and engineering design, permits, traffic control, mobilization, and overhead.)
- b) This scoring system for points that rank potential projects includes private development activity but should not be interpreted that CCDC will participate in those activities with CCDC funds. Rather those items are for purposes of evaluating the project and scoring for qualification for funding by CCDC of eligible activities.
- c) The eligible costs paid for in this program will only pay for those approved expenses not otherwise paid for by another public entity.

1. Activate Dormant / Disinvested Sites

Purpose: It is the statutory purpose of urban renewal and related redevelopment to arrest the decay of urban areas by improving the utilization and value of underutilized and undervalued property. Therefore the program grants credit to those projects that make fuller use of dormant and underutilized buildings.

a. Reuse of Existing Building: Reuse of a building that includes change of use including either: 1) conversion of vacant space to improved occupied space, with “vacant” defined as space unoccupied for 18 months or more; or 2) change of automotive use to retail, restaurant, office, performance, recreation or similar use; or 3) change in occupancy from a non-residential use to a residential use; or 4) change in occupancy or use classification (i.e. retail shop to restaurant, office to retail, etc.) resulting in increase in assessed value per square foot or increase in total assessed value of parcel; and a) the change of use applies to 50% or more of the building ground floor as measured by gross floor area; or b) for buildings with multiple floors, 25% or more of the building as measured by gross floor area.

b. Conversion of Surface Parking: Development of land currently in use as surface parking, such that greater than 75% of the land used as parking is converted to another use (building, streetscape, plaza, park, etc.) See 7-c- for definition of “surface parking.”

c. Replace Dormant Building: Development of site including the removal and replacement of building of 500 gross square feet or more and unoccupied for a period of 36 months or more.

d. Reuse of Vacant Land: Reuse of land currently not occupied by a building, parking lot, outdoor recreational use, public park or plaza.

2. Reuse of Targeted Sites

Purpose: The reuse of sites and buildings within a developed area of the community is in the public interest as there is an existing public investment already made by streets and utilities and, to the extent reuse attracts people and business activity, full utilization helps to support the vitality of neighboring properties. Reuse of historically significant buildings supports the authenticity and identity of the city and creates that often intangible asset referred to as “character”. Additionally, reuse of sites and buildings, and especially buildings of historic significance, is challenging because the renovation of existing buildings – bringing buildings into compliance with current building and fire codes – is costly and complex. Furthermore, existing sites may have environmental hazards from previous uses, especially if the prior uses include storage and distribution of petroleum products, auto repair, or laundry and dry cleaning. Removing building and site contamination is beneficial to public health and removes obstacles to productive use.

a. Reuse of National Historic Register Building: Reuse of a building that either 1) is and will remain listed on the National Register of Historic Places; or 2) will be listed on the National Register of Historic Places; or 3) in the opinion of Boise City Department of Planning and Development Services is eligible to be on the National Register of Historic Places according to the criteria of the National Park Service.

b. Reuse of site used in current or prior use as automotive or trucking use : Reuse of a site for a use other than an automotive or trucking use, with “automotive use” defined as either 1) fuel filling station; or 2) automotive or truck engine or tire repair; or 3) automotive, truck, or recreational vehicle sales; or 4) automotive or truck body or upholstery repair; or 5) automotive or truck wash or detailing; or 6) automotive or truck impound lot; or 7) automotive or truck salvage facility.

c. Reuse of laundry dry cleaning site: Reuse of a site and/or building used current or formerly as a wholesale or retail laundry dry-cleaning service. Sites/buildings formerly used as a dry cleaning qualify if they have not been adapted or site has not been remediated for a use other than dry cleaning.

3. Environmental Remediation

Purpose: Existing sites may have environmental hazards created by previous uses, especially if the previous uses include storage and distribution of petroleum products, auto repair, or laundry and dry cleaning. Removing building and site contamination is beneficial to public health and removes obstacles to productive use.

a. More than \$100,000 costs: Costs are for those conditions identified by a formal environmental assessment or declared by a third party to be environmentally hazardous.

b. \$50,001 - \$100,000 costs: Costs are for those conditions identified by a formal environmental assessment or declared by a third party to be environmentally hazardous.

c. \$10,000 - \$50,000 costs: Costs are for those conditions identified by a formal environmental assessment or declared by a third party to be environmentally hazardous.

4. Utility Infrastructure

Purpose: The finance and construction of utilities and related infrastructure is fundamental to urban renewal and redevelopment. Idaho urban renewal law explicitly includes the furnishing of public utilities as an eligible activity. Finance and construction of utility infrastructure not only stimulates private investment but generates public benefits that are typically distributed broadly in expanding services in both the short term and long term.

a. Replace or Expand Geothermal: Replacing or expanding utility infrastructure may include:
1. Connect to the system on an existing service line; 2. Move or add a new service line to connect to main line; 3. Re-route a main line; 4. Increase the capacity of a main line; or 5. Extending a main line to the development site.

Any of the following scenarios shall receive a point score.

Scenario 3: Re-routing of 50 lineal feet or more of the main line.

Scenario 4: Increasing the capacity of the main line for 50 lineal feet or more.

Scenario 5: Extending the main line to the development site by 50 lineal feet or more.

Scenarios 1 and 2 do not by themselves generate a point score. The maximum score which can be earned for expanding this element of utility infrastructure is 15 points.

b. Storm Water Mitigation: Project qualifies if 1) it includes the construction of new storm water treatment facilities on or adjacent to the site; and 2); the project's storm water treatment facilities meet the standards of Boise City and Ada County Highway District for retention; and 3) the design of storm water treatment facilities has received Boise City design review approval.

c. Replace or Expand Fiber: See 4a, "replace or expand geothermal".

d. Replace or Expand Power: See 4a, "replace or expand geothermal".

e. Replace or Expand Sewer: See 4a, "replace or expand geothermal".

f. Replace or Expand Water: See 4a, "replace or expand geothermal".

5. Connectivity

Purpose: The finance and construction of streets and related infrastructure is fundamental to urban renewal and redevelopment. Idaho urban renewal law explicitly includes the furnishing of public streets as an eligible activity. In addition, the finance and construction of streets and pathways for pedestrians and bicyclists improves access to businesses and recreational amenities. The design of streets is essential to the physical form of development and the extent to which it supports clustering of economies that thrive on the synergy of multiple businesses, institutional uses, and social activities utilizing commercial enterprises.

a. Add a Street: The addition or extension of a public street providing pedestrian access and meeting the definition of “public street” pursuant to Chapter 9-20 of the Boise Municipal Code (Boise Subdivision Ordinance) or as approved by Boise City and Ada County Highway District. In order to meet this criterion, improvements should be made for a minimum length of 25 feet for at least part of the roadway and including curb, gutter and sidewalk.

b. Add a Ground-Level Plaza: For the plaza to qualify, it shall have a minimum of 50 feet of frontage along the public sidewalk, a minimum depth of 25 feet from the public sidewalk, with a minimum surface area of 800 square feet suitable for walking, standing, or sitting. No easement or dedication of the plaza is required.

c. Add an Alley: The addition or extension of a public alley as defined by Chapter 9-20 of the Boise Municipal Code (Boise Subdivision Ordinance) or as approved by Boise City and Ada County Highway District. In order to meet this criterion, improvements should be made for a minimum length of 25 feet for at least one half the width of the alley.

d. Add a Pathway: The addition or extension of a pathway providing access across the site linking origins and destinations off the development site and for non-motorized transportation and having a minimum width of six feet. No easement or dedication of the pathway is required.

e. Add or Substantially Improve a Sidewalk: The addition, extension, or substantial improvement to the surface for a minimum of 6 feet in width and 25 feet in length. Substantial improvement is defined as the addition of a new concrete, brick or other approved surface and, as directed by the Downtown Boise Streetscape Standards or approved by Boise City, the addition of street trees, historic street lights, and other amenities pursuant to the Downtown Boise Streetscape Standards. A sidewalk differs from “pathway” in that the former is typically adjacent to and parallel with a curb and street. A pathway is typically not adjacent to and parallel with a curb and street.

6. Compact Development (1 Only)

Purpose: Urban economists have long understood the importance of density as a key element in the economic and social health of cities and city downtowns in particular. Urban density provides the critical mass necessary to support business activity where land and construction prices are often higher. The proximity of businesses and individuals to one another provides for the backward and forward economic linkages – buyer and seller relationships – essential to supporting vibrant central city economies. Density supports the concentration of people, which attracts other people, which in turn supports business activity and a sense of urban safety and security.

Floor Area Ratio, or FAR, is a measure of density across various urban land uses. FAR is calculated by dividing the gross floor area for building(s) on a site by the area of the site. Gross floor area is the sum of all horizontal areas within the exterior walls of all above-ground floors of the building. For example, a building with a gross floor area of 100,000 square feet on a site of 50,000 square feet has a FAR of 2.0. For this criterion the floor area of basements is not included in the calculation of floor area.

a. 4.0 to 5.0+ FAR: See above.

b. 3.0 to 3.9 FAR: See above.

c. 2.0 to 2.9 FAR: See above.

c. 1.0 to 1.9 FAR: See above.

e. 0.5 to 0.9 FAR: See above.

7. Parking Placement & Design

Purpose: How parking and loading areas are designed is important for the vibrancy of downtown. Large areas of surface parking erode the density of people and business activity and adversely affect environments for pedestrians. A highly walkable environment is especially important to the health of retail shops, restaurants, and entertainment venues. Locating parking and loading areas at the rear or interior of buildings is a solution that is effective on a small scale. For larger parking needs, the provision of parking within parking garages is generally most effective although structured parking is expensive. For economic and aesthetic reasons the provision of parking below grade is preferred over above-grade parking, although parking below grade is substantially more expensive to build than above grade parking. Where the provision of surface parking adjacent to streets and sidewalks is necessary, the negative effects of such parking may be mitigated by the installation of an attractive wall or fence between the parking and the street right-of-way. The wall and fence serves as a “street wall” providing the vertical element essential for a sense of enclosure for the street and sidewalk.

a. Structured Parking Below: For this criterion structured parking is any parking area consisting of three or more parking stalls covered by a roof with usable space above and surrounded on two or more sides by columns or walls. Free-standing garages and carports, unless they have usable space above the parking area, do not meet this definition. Additionally, in order to meet this criterion, 25% or more of the parking provided on the site shall be located within the parking structure as defined. For example, a development site for which 25 or more of the 100 parking stalls on site are within a structure meets this criterion. A development site with 24 or fewer of the 100 parking stalls on site does not meet this criterion.

b. Structured Parking Above Grade: See above.

c. No Surface Parking: Surface parking is any parking that is not covered by a roof and not surrounded on two or more sides by columns or walls.

d. Parking Location is to Rear or Interior of Building: The rear of the building is that side of the building opposite the front of the building. For a building fronting on a single street the front of the building is that side abutting the street. For a building fronting on two or more streets, the condition usually characterized as a corner site, the front of the building is that side with the building’s primary entrance. On the other side of the building which abuts a street, no more than 24’ of the parking lot may front the street. See Figures 7d-1, 7d-2, 7d-3 and 7d-4 on the following page.

e. Parking is Screened by Wall, Fence, Sunken: To qualify, the project shall include surface parking of which 80% of the edge of the parking area abutting the street, excluding service drives providing direct access to the street, shall be bounded by a fence or combination fence and wall parallel to the street and sidewalk (Figure 7e-1). To qualify, the fence or combination fence and wall shall be at a height of 30” to 48” from finished grade (Figure 7e-2). Walls meeting this criterion shall be constructed of concrete or masonry. Sunken Screening that includes a parking area with a finished grade at a level of 18” or more below sidewalk grade and with a minimum fence height of 12” above sidewalk grade also qualify.

7. Parking Placement & Design: Figures

Figure 7d-1: Parking to Rear of Building

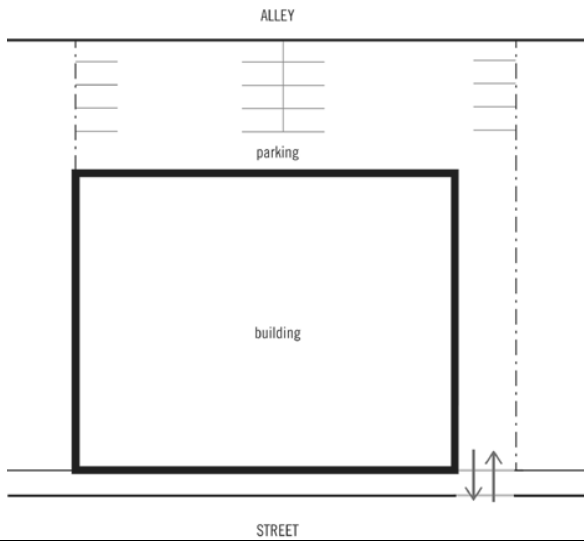


Figure 7d-2: Parking to Interior of Building

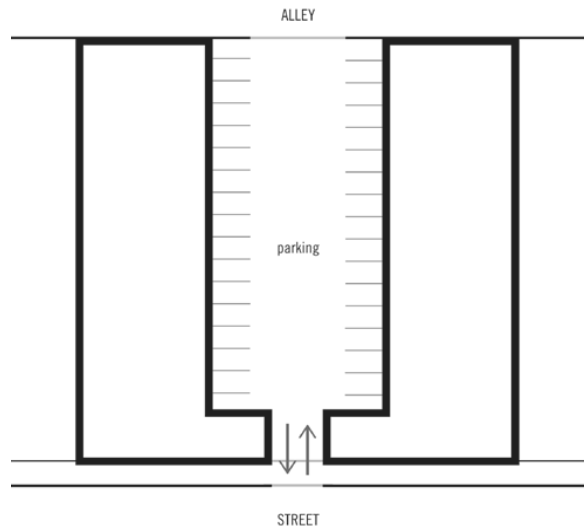


Figure 7d-3: Parking to Rear on a Corner Site, Option 1

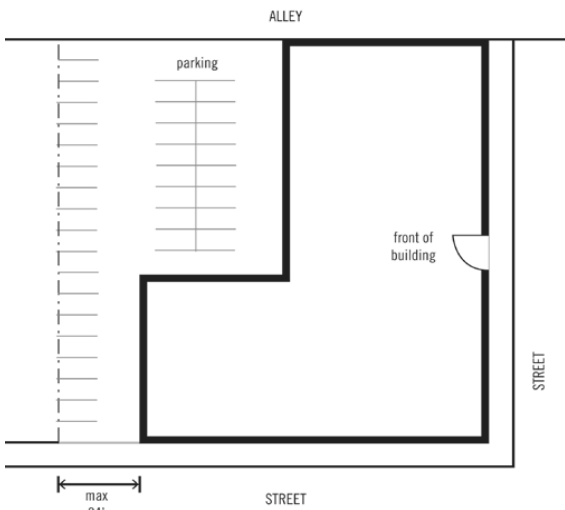


Figure 7d-4: Parking to Rear on a Corner Site, Option 2

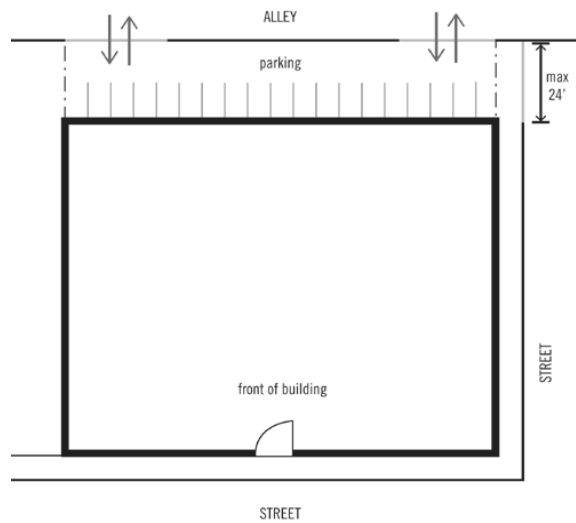


Figure 7e: Screened and Sunken Parking

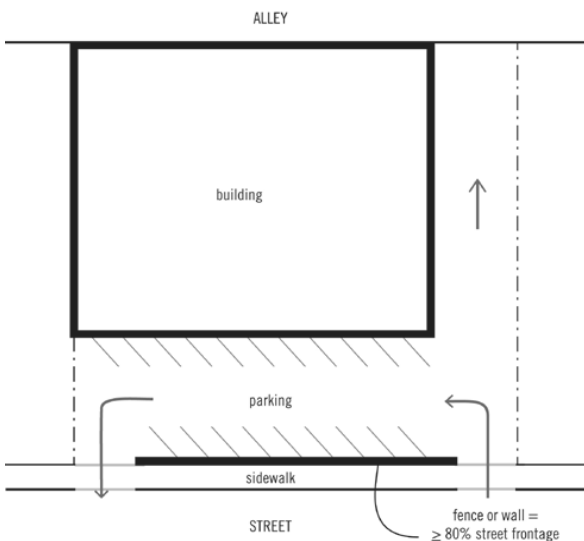


Figure 7f:

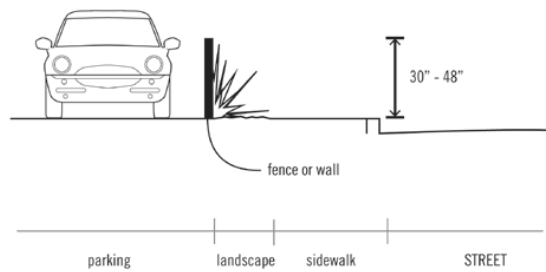
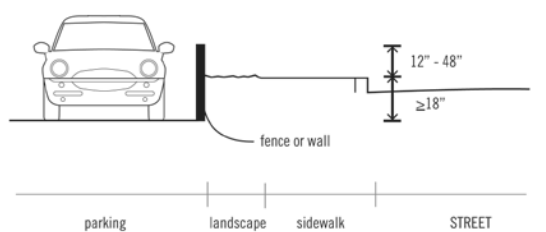


Figure 7e-3



8. Targeted Uses

Purpose: Some uses more than others have the potential to generate secondary activities commonly referred to as “spin- off development”. Some uses perform better than others in producing jobs with relatively high wages and salaries. Some uses are beneficial because they generate products and services that are exported outside the community and region. In addition, some activities are valuable within the mix of uses in downtown Boise but may be missing or in short supply. The following is a list of uses and business categories with these characteristics. This program awards points as a way to incent and mitigate obstacles for the development of these uses.

a. Workforce Housing: For the purpose of this criterion, workforce housing is defined as:

- 1) Housing for rent or sale and affordable to those households earning 80% to 140% of median household income in Boise and not receiving a subsidy from federal affordable housing programs.
- 2) Housing within a project such that the project contains a) three or more dwellings and b) 20% or more of the housing units within the project meet above condition 1.

b. Technology: “Technology” is any organization with a minimum of 2 members and 50% or more of its workforce employed in Standard Occupation Codes (Federal Bureau of Labor Statistics) 11-1021, 11-2021, 11-3021, 15-1121, 15-1131, 15-1133, 15-1141, 15-1142, or 15-1179; working at the subject location and occupying 5,000 square feet or more of the building on site.

c. Corporate Headquarters: Project site is the principal address for a registered corporation occupying 5,000 square feet or more of the building on site.

d. Education: A primary, secondary, or post-secondary institution licensed by the Idaho Board of Education and occupying 5,000 square feet or more of the building on site.

e. Artisan: “Artisan” is any organization with a minimum of 2 members and 50% or more of its workforce employed in Standard Occupation Codes (Federal Bureau of Labor Statistics) 27- 1010 through 27-2099 excepting 27-2020 through 27-2023; working at the subject location and occupying 5,000 square feet or more of the building on site.

f. Light Manufacturing / Assembly: “Light manufacturing/assembly” is any organization with a minimum of 2 members and 50% or more members of its workforce employed in Standard Occupation Codes (Federal Bureau of Labor Statistics) 51-1000 through 51-9199 excepting 51-3000 through 51-3099, 51-6000 through 51- 6021, and 51-8000 through 51-8099; working at the subject location and occupying 5,000 square feet or more of the building on site.

9. Walkability

Purpose: The success of the core of downtown Boise is due in large part to its walkability. A walkable place attracts people and business. It is a desired location for community events and for ongoing activities such as the Capital City Public Market. The vibrant social, cultural, and economic environment of a walkable urban environment attracts people and business activity and has that much sought after “sense of place”. The design elements of buildings and open spaces are key to a pedestrian-oriented environment, though sometimes there are market forces that work in opposition to these important design elements. Therefore, the program provides incentives to said design elements to promote economic vitality.

a. \geq 70% of sidewalk/setback is abutted by ground floor building face for new buildings or for existing buildings if more than 50% of building SF on parcel has been removed: Determined by dividing a) the distance of all exterior walls which are adjacent to and approximately parallel with property lines adjoining the public street right-of-way, excluding alleys, by b) the distance of all property lines adjoining the public street right-of-way, excluding alleys (Figure 9a-1). Existing buildings maintaining over 50% of square footage are eligible for these points regardless of the percentage of building face which abuts the sidewalk/setback-. In the case of a corner site, 70% of each building face must abut a sidewalk / setback_(Figure 9a-2).

b. \geq 60% Ground Floor Glazing on Street Frontages (\geq 30% res): For consistency, the “ground floor” of a building is defined as 12’ tall; any glazing higher than 12’ will not be included in this calculation. Glazing on street frontages includes all transparent windows and doors on exterior building walls on a plane 0 to 45 degrees of the property line adjoining the street (Figure 9b).

c. \geq 12’ Ground Floor Height: The height of the ground floor from sidewalk grade to finished ceiling, irrespective of suspended ceilings, shall have a minimum height of 12 feet. . The height of the ground floor ceiling is calculated starting from sidewalk grade, irrespective of the height of the finished floor (Figure 9c).

d. Main Entry is Prominent, on the ground floor, and faces street/not parking: The principal ground floor building entrance shall face the street, be visible from the street and not shielded by columns, fences, or landscaping, nor shall it be separated from the street by surface parking (Figure 9d). In the event of a building site with multiple street frontages, any street shall qualify.

e. \geq 75% (30% for residential uses) of ground floor frontage has functional awnings with a minimum depth of 5’: Functional awnings include awnings or canopies of a durable material including but not limited to metal, polycarbonate, and durable fabric. Awnings meeting this definition shall be located on a building plane parallel with the property line adjoining public right-of-way, have a minimum depth of five feet, and extend five feet over public right-of-way (Figure 9e).

f. Public Art Element: Project shall include public art visible from public right-of-way, with the art piece under ownership of CCDC or the City of Boise.

9. Walkability: Figures

Figure 9a-1: Building Abutting Sidewalk

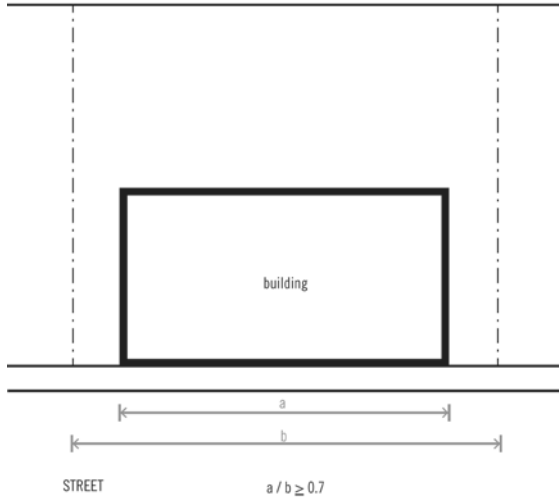


Figure 9a-2: Building Abutting Sidewalk on Corner

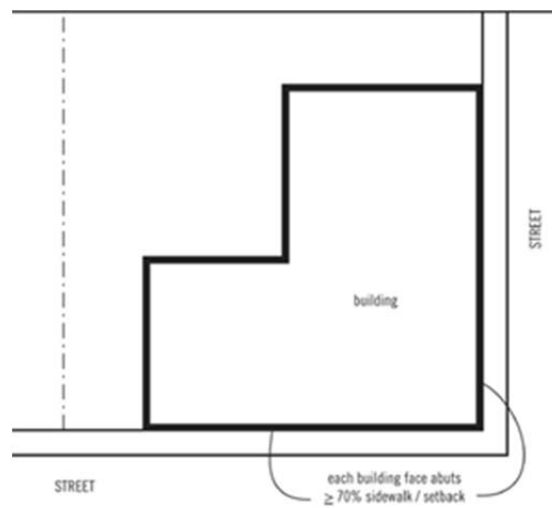


Figure 9b: Ground Floor Glazing

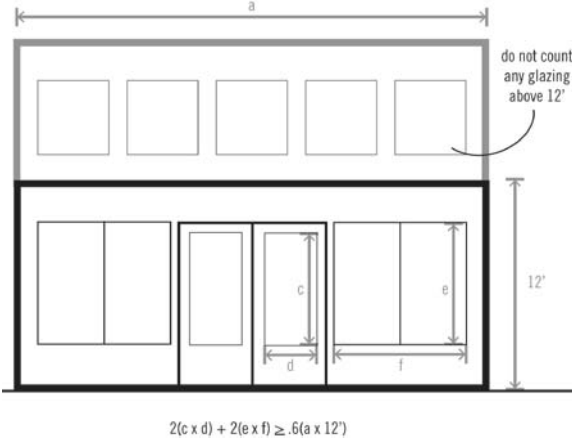


Figure 9c: Ground Floor Height

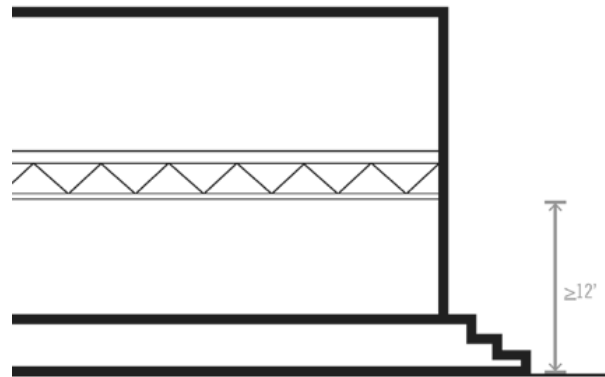


Figure 9d: Main Entry Prominence

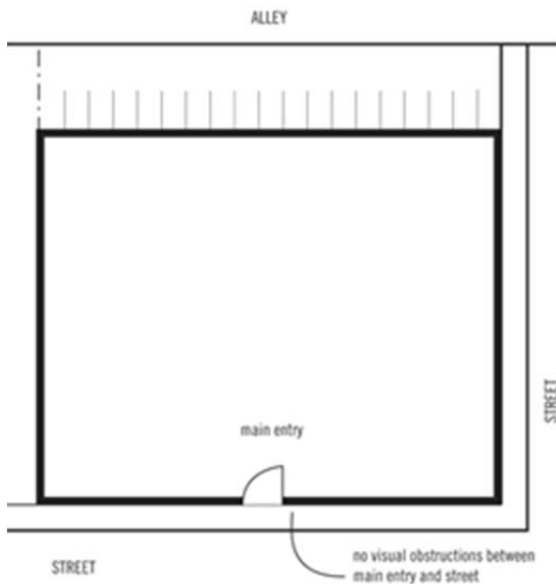
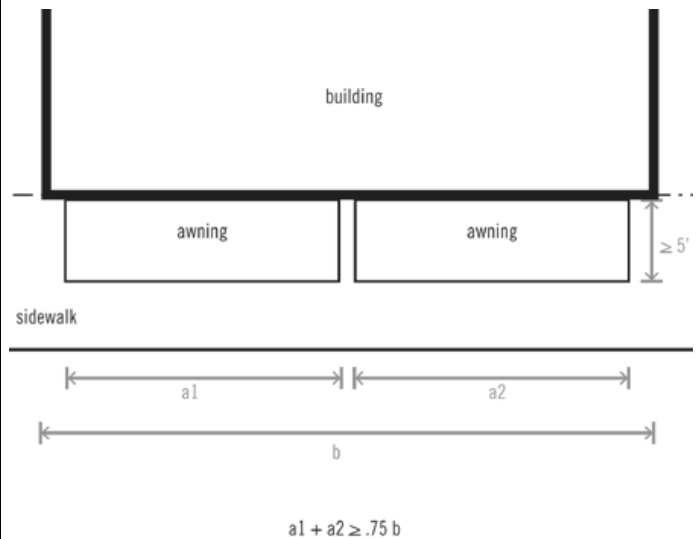


Figure 9e: Ground Floor Awnings



10. Sustainable Building

Purpose: The long term operating efficiency of buildings, like working roads, sewer and other utilities, is important to the long term viability of downtown Boise and address issues such as EPA non-attainment status and heat island mitigation. Energy efficient buildings are commercially sought after, attract strong tenants, and create long term value in the private community infrastructure by leaving more resource capacity available for additional growth.

a. Living Building Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.

b. LEED Platinum Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.

c. LEED Gold Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.

d. LEED Silver Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.

e. Connection to and use of geothermal system: The project includes and new connection, or maintains an existing connection, to an operating geothermal system.

f. Green Globes Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.

g. Energy Star Certification: As determined by any accrediting agency or third party demonstrating the same or equivalency.



AGENDA BILL

Agenda Subject: Risk-Based Cycling Review: PARCS Internal Controls		Date: December 14, 2015
Staff Contact: Ross Borden, Finance Director	Attachment: 1. Agreed Upon Procedures Report, June 30, 2015 2. Management Response	
Action Requested: Consent Agenda - Information only.		

Background:

The Board of Commissioners adopted its Risk Based Cycling Review Policy in 2008 to provide for external assessments of Agency internal controls, policies, procedures and practices. These Reviews serve as both a check and an aid to the organization to protect the public trust. The Reviews examine existing practices then the Board and Agency evaluate the results and recommendations to determine if additional efforts and/or resources are warranted or if the degree of identified risk is acceptable given the associated costs in both time and money. The Executive Committee, in its role as Audit Committee, drives this policy in consultation with the Board. There have been two previous Risk-Based Cycling Reviews, both performed by independent audit firm Eide Bailly LLP, in 2008 and 2011.

In March 2015, the Executive / Audit Committee approved a 3-Year RBCR Plan.

Year 1 / FY 2015: Review policies and procedures for PARCS internal controls.

- The Agency contracts with ABM Industries / The Car Park (Operator) to operate the Downtown Public Parking System. The Operator has formal protocols in place for handling parking-generated revenue, which includes cash. In light of the significant \$1.9 million PARCS investment to automate the Agency’s six public parking garages (completed in 2014) and the resulting changes, all relevant internal controls, including Operator protocols, were selected for a Risk-Based Cycling Review.

Year 2 / FY 2016: Review policies and procedures for Agency computer system security.

Year 3 / FY 2017: Review Agency accounting and contract management policies, internal controls, conformity to best practices and documentation.

2015 Timeline:

April: As directed by the Executive / Audit Committee, staff issued a Request for Qualifications / Proposals to solicit firms to perform the 3-Year RBCR Plan.

May: Two firms respond. Proposals ranked and interviews were conducted.

June: Executive / Audit Committee approves selection of Eide Bailly, LLC.

July & August: Eide Bailly conducts Year 1 field work.

September: After considering Eide Bailly's Final Report, the Executive Committee requests a Management Response from the Parking Operator.

November: After reviewing the Management Response, the Executive Committee defers final action to its December meeting.

Fiscal Notes:

Per RFQ/P response, Eide Bailly LLP was compensated \$6,300 to conduct Year 1 of the 3-Year Risk-Based Cycling Review plan and will be compensated \$8,800 for Year 2 and \$8,100 for Year 3 for a total of \$23,200.

Suggested Motion:

Consent Agenda - Information only. The Executive Committee has reviewed and approved the Year 1 Final Report and Management Response.

ATTACHMENT 1



Agreed-Upon Procedures Report
June 30, 2015

**Capital City Development
Corporation**

Capital City Development Corporation

Table of Contents

June 30, 2015

Independent Accountant’s Report on Applying Agreed-Upon Procedures 1
Procedures, Performance, and Recommendations 2
Appendix A..... 8



Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Commissioners
Capital City Development Corporation
Boise, Idaho

Eide Bailly has performed the procedures enumerated below, which were agreed to by Capital City Development Corporation (CCDC), solely to assist you with respect to the accounting records of Capital City Development Corporation, ABM Industries, Inc. (ABM) and The Car Park Inc. (The Car Park) as of June 30, 2015. Capital City Development Corporation management is responsible for the entities' accounting records. This Agreed-Upon Procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and areas of investigation are as follows:

1. Analytical procedures performed on revenue and expenses reported by parking operator, parking receivables and collections, and ticket sequences.
2. Establish thresholds and associated extrapolated missing ticket revenue loss.
3. Update and add-to parking operator's internal controls as necessary.

See documentation of findings and recommendations in the attached report.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Capital City Development Corporation and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 04, 2015

Parking Operator Organization

Capital City Development Corporation contracts with ABM Industries, Inc., formerly Ampco System Parking, to run the Agency's six garage, 2,600 space public parking system in downtown Boise. ABM subcontracts with The Car Park to staff and operate the parking system day-to-day. One ABM project accountant is co-located in The Car Park's Boise headquarters to perform daily corporate accounting tasks. Generic references to 'the parking operator' in this report refer primarily The Car Park but also to ABM Industries.

Procedure 1

Analytical procedures performed on revenue and expenses reported by parking operator, parking receivables and collections, and ticket sequences.

Scope

Eide Bailly was able to perform an analytical review of revenue and expenses noting these areas appear consistent with prior periods. Per our review of the reporting process, all expenses have attached invoices and supporting documentation and therefore present limited risk.

We interviewed two parking attendants, one each from the Eastman and Capitol Terrace garages, to inquire of controls. Through our internal control review and inquires, we noted the following areas where controls could be strengthened.

Finding #1

Noted a lack of review, or documentation of a review, of the information provided by ABM. Per inquiry, there are others at ABM that review the work, however there is no documentation of the review occurring thus it cannot be verified.

Based on our review, it appears the ABM project accountant, is able to make manual entries and adjustments to the reporting without much oversight. The ABM project accountant is also able to reconcile the Key Parking Figures (KPF) report generated daily by the Scheidt & Bachmann system, although the report does not include all tickets nor does it always properly tracked tickets. Scheidt & Bachmann designs, manufactures and maintains CCDC's parking access and revenue control (PARCS) system. Because of the incompleteness of the KPF report, the ABM project accountant is required to make manual adjustments to the garages to transfer revenue between them.

- This process is not reviewed and agreed upon by anyone at The Car Park.
- The month end reporting includes too much information that does not add value to the statements nor is there a review process indicated by ABM. We are aware a review process may be in place however there is no documentation of the review being performed.

Recommendations for Finding #1

In regards to the monthly financial reporting, we recommend implementing a review process to ensure the report is seen by all parties and that at each level it is signed acknowledging their agreement of the activity.

Each month a financial report will be created. The report should only include final combined reporting numbers similar to the current key expense and revenue figures and should only include properly referenced support. All support should be retained but not included, unless directly requested.

Once completed, the financial report or key expense and revenue figures should be submitted to ABM's management for review and signed approval.

The report should then be submitted to The Car Park's management who should review and compare operations expectations to the reporting to ensure their agreement.

The monthly packet will be provided to CCDC that contains a final signed summary indicating the information has been reviewed and approved by both ABM and The Car Park. The packet should include the necessary supporting documentation, including a journal entry log with specific documentation and support for any and all manual adjustments. This should help in reducing the level of re-performance currently required of CCDC to gain a complete understanding of the reported financials.

Finding #2

Receivables or promise to pay (PTP): Information obtained by the parking attendants over the past year has been insufficient to ensure the collectability of fines and fees, in part, due to the following items:

- Driver (name, address, license number) and car (make, model and license plate number) information is minimal and in a majority cases incomplete.
- Newly implemented OMNI Park system (handheld parking enforcement scanner) requires information not tracked on this report and therefore cannot be used to collect the receivables.

Recommendations for Finding #2

Review current "PTP violations 2015" and write off transactions that are not collectable either due to age (based on write off procedure) or those that do not appear to hold enough information to be collectable. In addition, as the transition is made to OMNI Park and video capable monitors, any additional PTP's and citations issued that are not held in the OMNI Park system need to follow the proper collection process and therefore should be reviewed.

Finding #3

Based on inquiries with garage attendants, the OMNI Park system is not fully implemented including use of the handheld scanner, reporting and processing. Additionally, it was indicated that not all attendants have been trained on the system thus not all are using it leaving inconsistencies in policies implemented and performed.

Recommendations for Finding #3

The processes and procedures in place at each garage should be consistent to a reasonable degree. Proper training should be provided to all attendants to use the system. This will allow for consistent processes and procedures between garages. Additionally, the correct information will be obtained to allow for a better collection rate.

Finding #4

The Parking Enforcement and Collection Policy is not being followed. A spreadsheet is maintained by the ABM project accountant, named "PTP violations 2015" listing all outstanding promises to pay and citations as of July 15, 2015. We noted:

- A total of \$7,703 in outstanding receivables from 1,144 PTP/citation line items with some exceeding 300 days. These fees do not include the \$25 late fee that the garage is entitled to per line item aged over 15 days.
- \$2,392 from 452 items are held as receivables over 180 days.
- 331 line items or \$3,191 are aged 90 - 180 days.
- No collections agency or efforts are currently in place to obtain the receivables and thus are not following the established policy.

Recommendations for Finding #4

The Car Park should be provided a monthly report of all outstanding PTP and citations as tracked by ABM. This would provide The Car Park the necessary information to follow and enforce the Parking Enforcement and Collection Policy. Any situations where the policy is not being followed should be reported and explained to CCDC.

Procedure 2

Establish thresholds and associated extrapolated missing ticket revenue loss.

Scope

We reviewed the prior year's activity (July 2014 – June 2015) which included activity for Eastman, Capitol Terrace and City Centre garages to extrapolate potential losses. The other garages were excluded due to the inaccuracies presented by hotel parking. See Procedure 3 for further detail and recommendations in relation to hotel activity and reporting.

It was noted that for the 2014 fiscal year, 700,658 total tickets were issued during the period. From this amount 16,811 tickets were unaccounted for, which is approximately 2.4% of tickets issued during the period. Per inquiry of The Car Park, the industry average is 3%. If unexplained, we project the annual difference to be approximately \$50,000.

Finding #1

Employees at the garage are able to manually adjust the number of cars in the garage at any one time. The adjustment allows the parking system to permit more ticket sales. This is not tracked nor can it be tracked in the Scheidt & Bachmann System. Currently, they are only able to see who performed the change and when but not the size. This adjustment is not reversed at the end of the shift.

Recommendation for Finding #1

Ensure all manual adjustments to the capacity figures are tracked and logged by the employee who makes the adjustment. This should ensure that at the end of the shift, the numbers are readjusted for proper reporting.

Finding #2

Large variances in the number of tickets taken by parkers to gain entrance to the garages and number of tickets accounted for per the Parking Analysis Report (PAR) were noted. The PAR report is generated in the Scheidt & Bachmann System and tracks how many tickets were dispersed and accounted for net of existing cars in the garage and those parked at days end. Per The Car Park these variances relate to two areas.

- Monthly parkers are instructed to print a ticket when pulling up to the entry gate to gain access to the garage when they are missing their passes, or are out of sequence. Per The Car Park, this is due to a double scan or misplacement of monthly parking passes. Once they reach the exit gate, customers are instructed to call the monitor and are released without the ticket being accounted for. Per The Car Park, this happens approximately 10 and 20 times per day. Conservatively we would recommend using 300 as the total monthly projection.
- Additionally, unreadable tickets or lost tickets are not voided in the system. The unreadable ticket forces the customer to contact the monitor and a new ticket is issued and paid. The unreadable ticket is then discarded and not voided. Lost tickets are not recovered and when “lost ticket” is selected at the kiosk during payment, a new ticket is generated and paid and again does not void the original. The Car Park estimates there to be approximately 400 instances of this occurring per month.

Recommendations for Finding #2

Review the “Parking Analysis Report” each month. Allocate the estimated variance of 700 explainable differences across the three garages (233 each). Inquire if in total, the three main garages variance exceeds 1,000 or if any one garage exceeds 500.

Ticket sequences are not used in the reporting or review process currently implemented. All pertinent information is printed on the ticket, in addition to being tracked electronically. As this eliminates the need to track ticket sequences, we will not recommend a change to how ticket sequences are tracked.

Our understanding is the sensor system in place at each garage prevents tickets from being improperly obtained thus is sufficient to reduce risk of invalid tickets being obtained by customers. Thus, we will not make a recommendation for additional prevention steps as it relates to missing tickets.

Procedure 3

Update understanding and add to parking operator's (The Car Park & ABM industries Inc.) internal controls as necessary.

Scope

We reviewed the cash handling and procedures that relate to the payment stations that now manage all regular payments made. All funds not held in the pay stations are held in a safe within The Car Park. Additionally we reviewed the month end reporting process including what is submitted to CCDC.

We inquired of the cash held on hand at The Car Park. We noted approximately \$1,200 is held in the safe as a change fund (formerly the bank funds for the booths) that was uncounted and undocumented at the time of initial inquiry. We also noted, per The Car Park, another \$1,600 is kept in an additional safe to be used for special events.

Finding #1

It appears that excess cash is being maintained at The Car Park that is not necessary for normal operations.

Recommendations for Finding #1

An analysis should be performed to determine the necessary cash that should be maintained in the safe at The Car Park that includes cash for the booths as well as cash for special events. Any excess cash should be returned to CCDC as they initially provided The Car Park with \$10,847 to fund the banks and ticket kiosks.

Finding #2

Not all cash is kept in the safe nor was it all accurately accounted for when the Agreed Upon Procedures were performed.

Recommendations for Finding #2

Track and maintain all bank/safe funds in one place. This would help to ensure that at any one time the cash on hand can be audited.

Assign one employee separate from the employee(s) who reconcile the deposits to audit the safe monthly as well as performing random, unannounced audits. Generally management would be excluded as a valid auditor to remove the chance of coercion.

Finding #3

Together, a team of two employees remove the cash from the pay station vaults, however, this only occurs once or twice a week. No dual controls exist for the cash after it is placed in the The Car Park office safe.

Recommendations for Finding #3

Currently, reporting takes place at midnight each night and cash withdrawals from the pay stations 1 to 2 times per week. We recommend a daily removal of pay station cash and daily deposits of the reconciled cash to ensure any issues or errors can be traced to the day of the activity. In addition, as the programing is limited, the report would be run at the time of the withdrawal reducing the need for manual entries to be made to adjust from activity that takes place between the midnight reporting and when the cash is removed.

Finding #4

One employee is responsible for counting the cash collected. This process is not covered when the employee is on vacation or away from the office, resulting in excess funds collected being maintained at The Car Park.

Recommendations for Finding #4

Ensure another employee is trained and capable of performing daily reconciliations. In addition, every time a bank is closed out for the day, a tape for the balance with the initials of the employee who completed it should be contained with the cash to ensure more accountability.

Finding #5

Hotels report parking figures to The Car Park monthly. The figures received are not currently reconciled and have minimal support

Recommendations for Finding #5

Each hotel guest is issued a Quick Response (QR) code parking pass. The QR code is created using their room number and number of nights stayed. The memory card connected to the system should log all hotel parking guests and number of nights stayed. Obtaining the memory card would allow The Car Park to bill the hotel for actual use as opposed to having the hotel report to them. We recommend the memory card be obtained on the first of every month when the morning pay station withdrawal occurs and the reconciliation and billing be performed accordingly.

Expected Revenue Analytic

September 2014

Average Monthly Permit Rate	\$	100.00
Hourly Parking Rate	\$	2.50

Key:
 Each month, input data in yellow cells only
 Calculation-based cells
 Variances - See Recommendation below

Garage	Monthly Number of Tickets	Average Length of Stay During Month
Eastman (#2201)	10,649	2.22
Capitol Terrace (#2202)	21,125	2.20
City Centre (#2203)	15,935	2.38
Grove St (#2206)	1,094	3.31
Boulevard (#2204)	1,137	2.45
BoDo Myrtle St (#2205)	5,361	2.47
Eastman Nest (#2207)	-	-
Totals	55,301	15.03

Number of Monthly Permits Sold	1,530
Other Parking / Other Revenue	\$ 36,204

Recalculation: Expected Revenue	Actual Revenue Recorded	Variance	
\$ 59,102	\$ 59,102	\$ 0	
116,188	116,188	0	
94,813	94,813	(0)	
9,053	9,053	0	
6,964	6,964	(0)	
33,104	33,104	(0)	
-	-	-	
319,224	319,224	0	<i>Total Hourly Parking Revenue</i>
153,000	153,000	-	<i>Total Monthly Parking Revenue</i>
36,204	36,204	-	<i>Other Parking / Other Revenue</i>
(138,253)	(138,253)	(1)	<i>Less: First Hour Free - Hourly Parking</i>
\$ 370,175	370,175	(0)	<i>Total Monthly Revenue</i>

Recommendation: If variances are +/- \$5,000, investigate further.

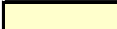


Expected Expense Analytic

September 2014

Three-Month Rolling Average Expectation:

Total Actual Expenses - 3rd Prior Month	\$	400,000
Total Actual Expenses - 2nd Prior Month		300,000
Total Actual Expenses - 1st Prior Month		355,000
Total Expenses for Prior 3 Months		1,055,000
Expected Current Month Expenses		351,667
Actual Current Month Expenses		362,000
Difference	\$	10,333

Key:

-  Each month, input data in yellow cells only
-  Calculation-based cells
-  Variances - See Recommendation below

Note: Expectation is based on a rolling 3-month average. As such, amounts will need to be updated each month to reflect the most recent months' activity.

 2.9% Percentage Difference

Current Year vs. Prior Year Expectation:

Total Actual Expenses - This Month, Last Year	\$	378,000
Actual Current Month Expenses		362,000
Difference	\$	(16,000)

 -4.2% Percentage Difference

Recommendation: If percentage differences are +/- 5%, investigate further.



**Capital City Development Corporation
Management Responses to Risk-Based Cycling Review – Parking Operations
Eide Bailly’s Agreed-Upon Procedures Report June 30, 2015**

The following action plan addresses Eide Bailly’s recommendations in its Agreed-Upon Procedures Report (Report) dated June 30, 2015. All responses have been discussed and agreed by CCDC, ABM and The Car Park. ABM and The Car Park combined operate the Downtown Public Parking System (DPPS).

Findings and recommendations have been summarized in this letter. Refer to the attached Report for full details.

Procedure 1, Finding #1:

A lack of review or documentation of a review, of the information (i.e. monthly financial reports) provided by ABM is noted.

Recommendation:

A review process is recommended to ensure monthly financial reports are seen by all parties and that the reports are signed at each level acknowledging agreement of the activity.

Management response:

Monthly financial reports are being reviewed and approved by ABM and The Car Park prior to submitting to CCDC. Review process is now documented by signatures from both ABM and The Car Park.

Procedure 1, Finding #2:

Receivables or Promise to Pay (PTP) report does not contain sufficient information for collection. Newly implemented OMNI Park System requires information that is not tracked on the PTP report and therefore cannot be used to collect receivables.

Recommendation:

Receivables should be reviewed regularly and transactions that are not collectible should be written off.

Management response:

Receivables are now being reviewed monthly by the DPPS General Manager. CCDC’s Parking & Facilities Director is currently working with the DPPS General Manager to review and update the Parking Enforcement & Collection Policy to ensure proper collection and write-off procedures are in place. The goal is to have the policy updated by early 2016.

Procedure 1, Finding #3:

OMNI Park System is not fully implemented and not all staff has been trained on the System.

Recommendation:

Proper training should be provided to all staff using the OMNI Park System to allow consistent processes and procedures among garages.

Management response:

All DPPS staff has been trained on the new OMNI Park System now. During Eide Bailly's onsite review, the System was just implemented and training program was not fully established for all employees at the time.

Procedure 1, Finding #4:

The Parking Enforcement & Collection Policy is not being followed. A portion of the outstanding receivables are aged over 90 days and no collection agency or other collection efforts are currently in place to obtain those receivables.

Recommendation:

Outstanding PTP's and citations should be reviewed monthly by The Car Park.

Management response:

Outstanding PTP's and citations are reviewed monthly by the General Manager. CCDC is currently working with the General Manager to review and update the Parking Enforcement & Collection Policy to ensure proper collection and write-off procedures are in place. Once Policy and threshold amount are updated, the General Manager and DPPS will review all transactions and write off any uncollectible transactions accordingly.

Procedure 2, Finding #1:

Manual adjustments of the number of cars in garages are made by employees to allow the parking system to permit more ticket sales. However, this is not tracked nor can it be tracked in the automated Scheidt & Bachmann garage entry/exit control system.

Recommendation:

Ensure all manual adjustments to the capacity figures are tracked and logged.

Management response:

The manual adjustments to the Scheidt & Bachmann System were not solely to "allow the parking system to allow more ticket sales" as stated in the Report. There is a natural variance that occurs in the parking equipment and these manual adjustments are also meant to correct this variance. When a monthly-pass holder forgets their key card, they take a ticket from System as if they are hourly parker. When they leave the garage, they will use the intercom to call DPPS monitors at the parking office. The DPPS monitor will inquire parker's last name and confirm the parker is in the system and then will let them out of the garage as a monthly parker. The count is then off because they entered as a non-reserved (hourly) parker, but exited as a reserved (monthly) parker.

Manual adjustments are no longer required to "allow the parking system to allow more ticket sales". DPPS has now corrected the setting in Scheidt & Bachmann System. However, DPPS still needs to

make a weekly adjustment to correct the natural variance listed above. One monitor and one roving attendant are responsible for these adjustments and an email is now being sent to the DPPS Office Manager to track the manual adjustments.

Procedure 2, Finding #2:

Large variances in the number of tickets taken by parkers to gain entrance to the garages and the number of tickets accounted for per the Parking Analysis Report were noted.

Recommendation:

Review the Parking Analysis Report (PAP) monthly. Allocate the estimated variance of 700 explainable differences across the three garages (233 each). Inquire if, in total, the variance of the three main garages exceeds 1,000 or if any one garage exceeds 500.

Management response:

The General Manager now reviews Parking Analysis Report monthly and compares actual number of missing tickets to threshold Eide Bailly helped establish. The General Manager will inquire and investigate if actual number exceeds threshold.

Procedure 3, Finding #1:

It appears that excess cash is being maintained at The Car Park that is not necessary for normal operations.

Recommendation:

An analysis should be performed to determine the necessary cash that should be maintained at the pay stations and in the safe at The Car Park's office.

Management response:

An analysis performed by DPPS determined that the current amount of cash maintained at each pay station and in the safe is appropriate.

Analysis method:

The pay stations can be loaded with a small amount when initially loaded. However, with the way the money recycler works, if the stations are loaded with a small amount, we would have to completely empty each pay station every time we want to complete a deposit. For example, each pay station can hold up to 100 bills each of 1's and 5's. If we initially load each pay station with 40 bills, the problem is that every 1 or 5 that is paid by a customer will be put back into the recycler until it fills back up to the 100 bills instead of dropping the money into the deposit vault. When we run a deposit drop, we only pull the vault (not the recycler). This way the removal and deposit transaction takes about one hour per pay station. If we were to pull all the money from the recycler as well to recount each time we need to process a deposit, it would take about 2 hours per pay station.

We currently have approximately \$640 in each pay station at any given time with another \$200 in a start fund for change. That means with 11 pay stations we need \$9,247 to cover the funds regularly needed for the pay stations. This leaves \$1,600 for an event start fund. We use these funds for pre-selling on large event nights.

Procedure 3, Finding #2:

Not all cash is kept in the safe nor was it all accurately accounted for when the Agreed-Upon Procedures were performed.

Recommendation:

Track and maintain all bank/safe funds in one place. Assign one employee separate from the employee(s) who reconcile the deposits to audit the safe monthly as well as performing random, unannounced audits. Generally management would be excluded as a valid auditor to remove the chance of coercion.

Management response:

All cash is currently locked in one of two safes located in The Car Park office. All start fund and event money is in a combination safe and all deposits get put into a drop safe until they are taken to the bank. DPPS will assign an employee (non-management) to perform unannounced audit of cash.

Procedure 3, Finding #3:

A team of two employees removes the cash from the pay station vaults. However, this only occurs once or twice a week. No dual controls exist for the cash after it is placed in The Car Park office safe.

Recommendation:

Remove pay station cash daily and reconcile daily deposits of cash to ensure any issues or errors can be traced to the day of the activity.

Management response:

DPPS has performed an analysis and has determined that DPPS does not have the manpower to perform daily removal of pay station cash and daily deposits of reconciled cash for all garages. The removal and deposit transaction requires at least three employees at a time. Two employees will remove cash from pay station and the third employee is responsible for counting and depositing the reconciled cash into the bank. To complete the entire transaction, it takes approximately 3 hours per garage. For all six garages, it will take about 18 hours a day, which is not considered practical.

DPPS has now increased from once a week per garage to twice a week for the Capitol Terrace and City Centre garages which generate relatively more cash. All other garages are done once a week. All cash is deposited the same day it is withdrawn from the pay station.

Procedure 3, Finding #4:

One employee is responsible for counting the collected cash. This process is not covered when the employee is on vacation or away from the office, resulting in excess funds being maintained at The Car Park office.

Recommendation:

Ensure another employee is trained and capable of performing daily reconciliations. In addition, every time a bank is closed out for the day, a tape for the balance with the initials of the employees who completed it should be contained with the cash to ensure more accountability.

Management response:

All functions have been cross trained to other employees. DPPS is currently working on revising their deposit/cash tracking sheet to ensure more accountability.

Procedure 3, Finding #5:

Hotels report parking figures to The Car Park monthly. The figures received are not currently reconciled and have minimal support.

Recommendation:

Obtain the memory card from the hotel to allow The Car Park to bill the hotel for actual use as opposed to having the hotel report to them.

Management response:

There is a small flash drive in the pay station under "QR code" at each hotel. The memory card in this Report is referring to these flash drives. Scheidt & Bachmann System generates a report which contains the same information as the flash drives do. Therefore, DPPS no longer has to obtain these flash drives to see what the hotel has produced.

However, due to the fact that the hotels don't have the ability to void QR codes that are produced in error in the Scheidt & Bachmann System, the report from the System reflects all QR code transactions including the ones produced in errors. Therefore, DPPS cannot rely on the report for hotel guest parking revenues. CCDC is currently working on new hotel guest parking policy in the Strategic Plan. The goal is to implement new policy and procedures for hotel parking at the beginning of 2016.



AGENDA BILL

Agenda Subject: Public meeting to consider raising monthly parking rates effective January 1, 2016		Date: December 14, 2015
Staff Contact: Max Clark, Parking & Facilities Director	Attachments: Res. No. 1419 authorizing monthly parking rate changes December 11th Notice published in the Statesman December 2 nd Stakeholder Letter Public Notice Rate Sheet for Letter & Garage Posting	
Action Requested: After considering public comment, authorize the imposition of new monthly parking rates in the six CCDC garages effective January 1, 2016.		

Fiscal Notes:

If approved, the rate adjustment is projected to yield an additional \$373,860 in FY16. These funds would be dedicated to projects contained in the 2016 Parking Reinvestment Program. These projects are for capital investments for specific garages or system-wide improvements.

Background:

The need for this rate adjustment was identified during the development and approval of the Agency's FY2016 budget and CIP/Parking Reinvestment Program (PRP). The PRP provides necessary funding to keep the garages structurally sound, easy to find and utilize.

Due largely to the down economy, the last system-wide rate adjustments occurred in August, 2008. At that time the rates were raised for general monthly parking from \$79 to \$100. So for the past seven-plus years our typical monthly customer has been paying \$5/day to park their car (\$100/20 business days mo. = \$5/day).

What is being proposed is to increase the monthly rates in the Capitol Terrace & Eastman garages by \$35/month; and to increase the rates in the remaining four garages (Boulevard, City Centre, Grove Street & Myrtle Street) by \$20/month. This will mean for a typical parker their daily cost to parking in one of our 1,500 monthly spaces will increase from \$5/day to \$6.75 and \$6 respectively. We expect this rate increase to have virtually no effect on our monthly parking demand. In fact, we still have significant waiting lists in our two most centrally located garages, Capitol Terrace & Eastman and we expect these lists to continue into the foreseeable future.

We anticipate with the delivery of a draft Parking Strategic Plan in the Spring of 2016, we will bring a slate of parking packages, each with their own prices. Examples include the 24/7 package, the business week package (M-F, 7a-6p), the evening package (4p-6a), the weekend package. We also expect the City of Boise to bring forth rate and enforcement changes to their on-street meters, geared towards promoting on-street turnover, coaxing longer term parkers into the garages and private lots, and correcting their fines/fees imbalance.

Because only a rate adjustment is being proposed in (no policy changes), a less formal notification and consideration process is being utilized.

- Mailing a letter and rate change notice to permit holders and downtown stakeholders (developers, businesses, etc.)
- Posting rate change notices in the garages themselves;
- Posting a notice on Agency websites; and
- Placing a legal notice in the Statesman on December 11th.

Staff Recommendation:

Approve the monthly rate adjustments as proposed.

Suggested Motion:

I move the adoption of Resolution No. 1419 authorizing monthly parking rate increases of \$35 and \$20 in the six CCDC parking garages.

RESOLUTION NO. 1419

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AUTHORIZING THE MODIFICATION OF THE BOISE CENTRAL DISTRICT PARKING MANAGEMENT PLAN AND COURTHOUSE CORRIDOR PARKING MANAGEMENT PLAN BY APPROVING A PROPOSED RATE ADJUSTMENT FOR THE BOISE CENTRAL DISTRICT PARKING SYSTEM AND RIVER-MYRTLE DISTRICT PARKING SYSTEM; AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE PROPOSED RATE ADJUSTMENT AND THE MODIFICATION OF THE BOISE CENTRAL DISTRICT PARKING MANAGEMENT PLAN AND COURTHOUSE CORRIDOR PARKING MANAGEMENT PLAN; TO PROVIDE FOR ANY NECESSARY TECHNICAL CHANGES; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency, a public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, as amended and supplemented (the "Act");

WHEREAS, the City Council of Boise City, Idaho, (the "City"), after notice duly published, conducted a public hearing on the amended and restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5 (the "Amended Urban Renewal Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 5597 on December 6, 1994, approving the Amended Urban Renewal Plan and making certain findings;

WHEREAS, the City Council of the City, after notice duly published, conducted a public hearing on June 5, 2007;

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6576 on June 26, 2007, effective upon publication on July 23, 2007, approving the 2007 Plan and making certain findings on the 2007 Amended and Restated Urban Renewal Plan, for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5 (the “2007 Plan”);

WHEREAS, the City, after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the “River Street Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the “River Myrtle-Old Boise Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, the City, after notice duly published, conducted a public hearing on the Westside Downtown Urban Renewal Plan (the “Westside Plan”);

WHEREAS, following said public hearing, the City adopted its Ordinance No. 6108 on December 4, 2001, approving the Westside Plan and making certain findings;

WHEREAS, the 2007 Plan, the River Myrtle-Old Boise Plan, and the Westside Plan are collectively referred to as the “Downtown Urban Renewal Plans”;

WHEREAS, the Boise Central District Project Area Parking Management Plan governs the parking policies and procedures for the Project Area defined in the 2007 Plan, for the Boise Central District Urban Renewal Project, and references throughout the Boise Central Parking Management Plan to the “Project Area” shall be deemed to include the project area as defined in the 2007 Plan, with the inclusion of the Grove Street Parking Garage, which is now part of the Westside Urban Renewal Project Area, and the City Centre Garage, a portion of which is within the River Myrtle-Old Boise Plan;

WHEREAS, pursuant to Resolution No. 883 adopted by the Agency Board on April 8, 2002, and Resolution No. 1004, adopted by the Agency Board on September 13, 2004, the Agency adopted the initial Public Parking Management Plan for the Ada County Courthouse Corridor (also known as the Civic Plaza Parking Management District) and those certain amendments as approved on September 13, 2004;

WHEREAS, pursuant to Resolution No. 965 adopted by the Agency Board on February 9, 2004, the Agency adopted the Amended and Restated Public Parking Management Plan for the Boise Central District Urban Renewal Project Area and pursuant to Resolution No. 1003 adopted by the Agency Board on September 13, 2004, approved an amendment addressing cinema validation;

WHEREAS, both the Public Parking Management Plan for Ada County Courthouse Corridor and Amended and Restated Public Parking Management Plan for the Boise Central District Urban Renewal Project Area provide for modifications of the parking rates set forth in those parking management plan;

WHEREAS, the Boise Central District Parking Management Plan and Courthouse Corridor Parking Management Plan provide for the Agency to establish rates for parking within the facilities owned, operated and managed by the Agency;

WHEREAS, Agency staff and Agency's parking consultants have studied the modification of certain monthly parking rates;

WHEREAS, the rates under review include those for monthly parking;

WHEREAS, the rate restructuring plan proposes to raise monthly parking from its current rate;

WHEREAS, these rate adjustments will be effective as of January 1, 2016;

WHEREAS, at its meeting of November 9, 2015, Agency Board received a report concerning the proposed rate change and instructed Agency staff to prepare the necessary information and publications in order to receive public comment at its December 14, 2015, meeting;

WHEREAS, the Boise Central District Project Area Parking Management Plan and Courthouse Corridor Parking Management Plan provide for certain notice, comment and public input concerning any proposed parking rate change;

WHEREAS, under several development agreements pursuant to the 2007 Plan and the River Myrtle-Old Boise Plan, certain developers or owners of certain property have the right to receive notice of any rate changes;

WHEREAS, on December 11, 2015, Agency staff caused to be published in *The Idaho Statesman* a Public Notice of Proposed Parking Rate Adjustments advising the public of the meeting scheduled for December 14, 2015, to consider the rate adjustments;

WHEREAS, Agency staff has also provided specific written notice of the proposed parking rate changes to those persons or entities entitled to such notice;

WHEREAS, Agency Board considered the information and comment received at the December 14, 2015, meeting;

WHEREAS, the Agency finds it necessary to modify the parking rates applicable to the parking system owned by the Agency and operated for the benefit of Agency;

WHEREAS, the Agency Board finds it in the best interest of the Agency and the public to formally adopt the modifications to the Boise Central District Parking Management Plan occasioned by the proposed parking rate adjustment and adopt the parking rate changes.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the modifications to the Boise Central District Parking Management Plan and Courthouse Corridor Parking Management Plan as set forth in the Public Notice of proposed parking rate adjustments attached hereto as Exhibit A and incorporated herein by reference, along with any modifications to Exhibit A, as a result of the public comment received at the December 14, 2015, Agency Board meeting, and which by exhibit contains the parking rate schedule, are accepted and approved.

Section 3: That the Executive Director is hereby authorized, permitted and directed to distribute the modified parking rate schedule and to provide sufficient copies to any interested party. The Executive director is also authorized, permitted and directed to make any technical changes to the Rate Schedule so long as such changes are in keeping with the information considered and the public comment received at the December 14, 2015, Agency Board meeting.

Section 4: That the Rate Schedule shall be effective as of January 1, 2016, unless any existing parking agreement with the Agency mandates a later effective date.

Section 5. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Boise City, Idaho, on December 14, 2015.
Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the
Board of Commissioners, on December 14, 2015.

APPROVED:

By _____
Chairman of the Board

ATTEST:

By _____
Secretary

4847-3233-9243, v. 1

RESOLUTION NO. 1419 - 5

PUBLIC NOTICE

DOWNTOWN PUBLIC PARKING SYSTEM PROPOSED MONTHLY PARKING RATE INCREASES

As the urban renewal agency for the City of Boise, Idaho, Capital City Development Corporation (“CCDC”) promotes revitalization and economic growth in Boise’s urban renewal districts. As the owner of the Downtown Public Parking System, CCDC provides valuable infrastructure essential to the development of both commercial and residential projects.

To continue to provide this critical component of Boise’s downtown core, CCDC is proposing to increase the parking rates of monthly parking permits. Monthly parking rates in these public garages have not changed since 2008. Monthly rates are proposed to increase by \$35 in the Capitol Terrace and Eastman Garages, and by \$20 in the Boulevard, City Centre, Grove Street and Myrtle Street Garages. These proposed rate adjustments will affect fewer than 1,500 public parking spaces in the six garages and will provide necessary funds for structural maintenance and system-wide improvements.

The CCDC Board of Commissioners will consider these rate increases at its monthly meeting on December 14, 2015. The meeting will begin at 12:00 p.m. in the CCDC Board Room located at 121 N. 9th St., Suite 502, Boise, Idaho. Public comment is welcome at this meeting, or in writing if received by 10:00 a.m. that morning. Please address any email correspondence to info@ccd Boise.com.

Information on parking options and monthly rates are available at www.boiseparking.com.

PUBLISH: Friday, December 11, 2015



December 2, 2015

Subject: Proposed Monthly Parking Rate Increase

Dear Stakeholder:

The purpose of this letter is to inform you of proposed parking rate increases for monthly permits to be considered by the Capital City Development Corporation (CCDC) Board of Commissioners on Monday, December 14, 2015. If approved, these rate increases will be effective January 1, 2016.

Parking rates in the public garages have remained unchanged since 2008. This rate adjustment was built into the CCDC 2016 approved budget, including the Agency's Parking Reinvestment Program, which provides needed funds for structural maintenance and system wide improvements. These proposed rate adjustments affect less than 1,500 public parking spaces in the six garages owned by CCDC. More details on parking options and monthly rates are available at www.boiseparking.com.

The CCDC Board of Commissioners will consider these rate increases at their monthly meeting on December 14, 2015. The meeting will begin at 12:00 noon in the CCDC Board Room, located at 121 N. 9th St., Suite 501. Public comment is welcome at this meeting, or in writing if received by 10:00 AM that morning. Please address correspondence to the address noted on this letter; or provide comments via email to info@ccdcb Boise.com.

Sincerely,

Max Clark
Parking & Facilities Director

PUBLIC NOTICE
Proposed Parking Rate Adjustments
Effective January 1, 2016

The Capital City Development Corporation (CCDC) will consider rate adjustments for the Downtown Public Parking System (DPPS) at the Board of Director's meeting on December 14, 2015. The meeting will be held at noon in the CCDC Board Room located at 121 N 9th St, Suite 501. The rates under review are those for monthly parking only, including rooftop and reserved parking.

If you would like to comment on the proposed changes you may attend the December 14, 2015 meeting; or you may write, fax or email your comments to the addresses noted below. Please submit your comments by 10:00 a.m. that day so that they will be included in the board packet.

Capital City Development Corporation
 Attn: Max Clark, Parking & Facilities Director
 121 N. 9th St., Suite 501
 Boise, ID 83702

Email: info@ccdcboise.com
 Fax: (208) 384-4267
 Web: www.ccdcboise.com

Proposed Rate Adjustments

<u>Garage/Category</u>	<u>Current Monthly Rate</u>	<u>Proposed Monthly Rate</u>
Capitol Terrace Garage: 770 W Main St		
Monthly	\$100	\$135
Reserved	\$135	\$170
Eastman Garage: 866 W Main St		
Monthly	\$100	\$135
Boulevard Garage: 245 S Capitol Blvd		
Monthly	\$100	\$120
Reserved	\$135	\$155
Tandem	\$62	\$82
City Centre Garage: 312 S 9 th St		
Monthly	\$100	\$120
Reserved	\$135	\$155
Rooftop	\$70	\$90
Grove Street Garage: 234 S 10 th St		
Monthly	\$100	\$120
Rooftop	\$85	\$105
Myrtle Street Garage: 445 S Capitol Blvd		
Monthly	\$100	\$120
Rooftop	\$70	\$90



AGENDA BILL

Agenda Subject: Resolution No. 1422: Consider and Approve the Disposition & Development Agreement (DDA) between CCDC and The Watercooler Project, LLC for 1401 and 1413 W. Idaho Street.		Date: 12/14/2015
Staff Contact: Shellan Rodriguez	Attachments: 1- Resolution 1422 2- Disposition and Development Agreement	
Action Requested: Review key points of the DDA and approve Resolution No. 1422.		

Fiscal Notes:

The most recent project budget for the apartment project is \$6,800,000 million. The DDA's Purchase Price is \$985,000 for the land is based on the September 30, 2014, commercial appraisal completed by Valbridge Property Advisors. After meeting all closing conditions (Section 5.3 of the DDA) the real property will be conveyed to the Developer for the full Purchase Price. At the completion of construction of the Apartments and the issuance of a certificate of completion by the Agency the Adjusted Purchase Price is proposed to be one dollar. The reuse appraisal was completed in October of 2015 and the land value determined by the appraisal was a negative twenty thousand dollars (-\$20,000).

It is estimated that the Westside Downtown Urban Renewal District will receive approximately \$650,000 - \$800,000 in RAD as a result of this project through the term of the district. The estimated assessed value of The Watercooler Apartments at completion is approximately \$5.5 million dollars.

Background:

Staff has been working diligently with the developer, Local Construct, throughout the ERN period. Below is a project timeline to illustrate progress made to date as well as future milestones:

<u>Dates</u>	<u>Action</u>
1/24/2015	RFQ/P Published
3/4/2015	Proposal Submitted
4/8 and 5/11/2015-	Panel Review and Developer Presentations
5/18/2015	CCDC Board selected Local Construct's proposal
6/8/2015	CCDC Board Passed Resolution 1392, authorizing executing the ERN
9/1/2015	CCDC approves Design Development Plan

10/14/2015	Re-Use Appraisal finalized, Negative (\$20,000) value
11/23/2015	ERN Deadline for a draft DDA agreed upon at staff level
11/9/2015	Rezone approved at City of Boise Planning & Zoning
12/9/2015	City of Boise Design Review Committee Approved
*1/15/2016	Construction Drawings complete
*2/2/2016	City of Boise City Council rezone hearing date
*3/2016	Land Close/Demo (<i>but no later than July 2016 per DDA</i>)
*4/2016	Construction begins (<i>but no later than August 2016 per DDA</i>)
*4/2017	Construction complete (<i>but no later than August 2017 per DDA</i>) *anticipated based on current schedule.

Currently, the ERN has been satisfied - exclusive and good faith negotiations have occurred, the design has been refined, the reuse appraisal has been completed and the deposit has been made. There is a 30 day option to extend.

Summary of DDA

- I. **Proof of Financing:** The land will not be conveyed until all financing for the full project is secured and construction documents are in place in a form acceptable to CCDC.
- II. **Sales Price:** The framework for determining sales price was outlined in the RFQ/P. The developer will purchase the property and pay the appraised value of \$985,000 at the time of land conveyance.

Upon issuance of a certificate of project completion, CCDC will adjust the land price as per the DDA. CCDC cannot adjust to less than the value determined within the Restricted Use Appraisal and cannot adjust to less than \$0. In other words CCDC cannot pay the developer for the land. The restricted use value is negative twenty thousand (-\$20,000) and is on Attachment 7 of the DDA.

The developer stated in the competitive review process they could pay for the land based on their proposal. Through the ERN process the developer has revised their design and updated their construction budget. The overall budget has increased by \$970,000 due to higher than anticipated construction costs thus the developer has requested an adjustment to the final land price to One dollar, \$1.

- III. **Project Design Revisions:** There have been no substantial revisions since CCDC Executive Director approved the Design Development Plan on September 1, 2015. The total residential unit count is now 37 units, rents remain targeted as workforce housing.
- IV. **Demolition of Existing Building:** The project must complete multiple rezoning readings and public notification requirements. Due to a congested City Council schedule this hearing requirement has delayed the completion of the rezone, therefore the Developer has made a request to start demolition and site grading prior to closing on the land in order to stagger the project's completion/marketing with their other local projects. Although the current DDA does not specifically allow this, it does allow the developer the right to make the request and it permits CCDC the right to

approve the request. This described in section 9.4 of the DDA. This language is similar to other CCDC approved DDAs.

Staff Recommendation:

Staff recommends review and approval of the DDA with confirmation of acceptance of the Adjusted Purchase Price, Section 9.4.

Suggested Motion:

I move to adopt Resolution No. 1422 to authorize the Executive Director to execute the DDA and all associated documents as required to implement the Agreement including any revisions as may be determined by the Board (list as necessary).

RESOLUTION NO. 1422

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AND THE WATERCOOLER, LLC; AND AUTHORIZING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR AND SECRETARY, RESPECTIVELY, TO EXECUTE AND ATTEST SAID AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AUTHORIZING THE EXECUTIVE DIRECTOR AND SECRETARY TO EXECUTE ALL NECESSARY DOCUMENTS REQUIRED TO IMPLEMENT THE AGREEMENT AND TO MAKE ANY NECESSARY TECHNICAL CHANGES TO THE AGREEMENT SUBJECT TO CERTAIN CONDITIONS; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code (the "Law"), a duly created and functioning urban renewal agency for Boise City, Idaho (hereinafter referred to as the "Agency").

WHEREAS, the City, after notice duly published, conducted a public hearing on the Westside Downtown Urban Renewal Plan (the "Westside Plan");

WHEREAS, following said hearing, the City adopted its Ordinance No. 6108 on December 4, 2001, approving the Westside Plan and making certain findings;

WHEREAS, in order to achieve the objectives of the Westside Plan, the Agency is authorized to acquire real property for the revitalization of areas within the Agency's boundaries;

WHEREAS, Agency owns certain real property with a property address of 1401 & 1413 W. Idaho Street, Boise, Idaho 83702 (the "Site");

WHEREAS, the Agency seeks to initiate a redevelopment project to revitalize the Project Area in compliance with the Westside Plan through the redevelopment of the Site in which could also serve as a catalyst for redevelopment of other properties in the vicinity;

WHEREAS, following the publication of an RFQ/P in the Idaho Statesman newspaper on January 24 and 25, 2015, Agency received two proposals for development of the Site;

WHEREAS, at a public meeting on May 18, 2015, the Agency Board selected the proposal from LCA-CA-I, LLC (“Developer”), as the highest ranked proposal;

WHEREAS, pursuant to Resolution 1392, adopted by the Agency Board on June 8, 2015, Agency staff and Developer subsequently executed an Agreement to Negotiate Exclusively (“Agreement”), which contemplated the negotiation of an agreement concerning the disposition of the Site to Developer by Agency and the development of the Site by Developer;

WHEREAS, following negotiations over the terms between Agency staff and Developer, in compliance with the Agreement, Developer and Agency staff have drafted a Disposition and Development Agreement (“DDA”) between Agency and Developer’s affiliate, The WaterCooler, LLC, a copy of which is attached hereto as Exhibit A and incorporated herein as if set forth in full;

WHEREAS, Agency staff recommends approval of the DDA;

WHEREAS, the Board of Directors finds it in the best public interest to approve the DDA and to authorize the Chair, Vice-Chair, or Executive Director and Secretary to execute and attest the Agreement, subject to certain conditions, and to execute all necessary documents to implement the transaction, subject to the conditions set forth below.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the DDA, a copy of which is attached hereto as Exhibit A and incorporated herein as if set out in full, is hereby approved and adopted.

Section 3: That the Chair, Vice-Chair, or Executive Director and Secretary of the Board of Directors of the Agency are hereby authorized to sign and enter into the DDA and, further, are hereby authorized to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Executive Director and Agency legal counsel that all conditions precedent to actions and any necessary technical changes to the DDA or other documents are acceptable upon advice from the Agency’s legal counsel that said changes are consistent with the provisions of the DDA and the comments and discussions received at the December 14, 2015, Agency Board meeting.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED By the Urban Renewal Agency of Boise City, Idaho, on December 14, 2015.
Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of
Commissioners on December 14, 2015.

APPROVED:

By: _____
Chairman

ATTEST:

By: _____
Secretary

4820-8570-3212, v. 1

DISPOSITION AND DEVELOPMENT AGREEMENT

CAPITAL CITY DEVELOPMENT CORPORATION

and

**The Watercooler Project, LLC,
a Delaware Limited Liability Company**

_____, 2015

WaterCooler Urban Renewal Project

LIST OF ATTACHMENTS

Attachment 1	Site Plan of the WaterCooler (“Site Plan”)
Attachment 2	Legal Description of the Property (“Legal Description”)
Attachment 3	Scope of Development
Attachment 4	Schedule of Performance
Attachment 5	Design Review Drawings
Attachment 6	Title Report
Attachment 7	Reuse Appraisal
Attachment 8	Form of Deed
Attachment 9	Form of Memorandum

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	SUBJECT OF AGREEMENT	4
2.1.	Purpose of This Agreement.....	4
2.2.	The Redevelopment Plan.	4
2.3.	The Project Area.	4
2.4.	Parties to This Agreement.	4
2.4.1.	Agency	4
2.4.2.	Developer	4
2.4.3.	Developer's General Contactor.....	5
2.5.	The Project.....	5
2.6.	Disposition Does Not Contemplate Land Speculation.	5
2.7.	Selection of Developer.	5
3.	RIGHT OF ENTRY/REVIEW OF TITLE	7
3.1	Right of Entry; Developer's Investigations	7
3.2	Review of Title; Approved Title Exceptions.....	8
3.3	Demolition of Existing Structures on the Property	9
3.4	Compliance With Laws.....	9
4.	EVIDENCE OF PROJECT FINANCING	9
4.1.	Submission of Preliminary Evidence of Financing.....	9
4.2.	Time to Approve Evidence of Financing.....	10
4.3.	Public Records Law	10
4.4.	Lender Modifications.	10
5.	DISPOSITION AND CONVEYANCE OF THE PROPERTY	10
5.1.	Disposition and Conveyance of the Property.	10
5.1.1.	Purchase Price	11
5.1.2.	Payment of Purchase Price	11
5.2.	Escrow.	11
5.2.1.	Escrow Instructions.....	12
5.2.2.	Payment of Costs	12
5.2.3.	Close of Escrow.....	12
5.2.4.	Deliveries by Agency	12
5.2.5.	Deliveries by Developer	13
5.2.6.	Closing, Recording and Disbursements	13
5.2.7.	General Escrow Account.....	14
5.2.8.	Termination	14
5.2.9.	Amendment	15
5.2.10.	No Real Estate Commissions or Fees.....	15
5.3.	Conditions to Property Transfer.....	15
5.3.1.	Conditions to Agency's Obligations.....	15
5.3.2.	Conditions to Developer's Obligations.....	16
5.4.	Satisfaction of Conditions	17
5.5.	Waiver	18
5.6.	Termination	18
6.	CONDITION OF THE PROPERTY	18

6.1.	“As Is”	18
7.	DEVELOPMENT OF THE PROPERTY	19
7.1.	Scope of Development	19
7.2.	Local, State, and Federal Laws	19
7.3.	Antidiscrimination During Construction.....	19
7.4.	Design Review Drawings	19
7.5.	Final Construction Documents.....	20
7.6.	Agency Approval of Plans, Drawings, and Related Documents.....	20
7.7.	Communication; Revisions	20
7.8.	Prompt Review	20
7.9.	Changes to Final Construction Documents	21
7.10.	Construction Phase Reporting	21
7.10.1.	Developer’s Obligations	21
7.10.2.	Agency’s Obligations	22
7.10.3.	Meeting Attendance	23
7.10.4.	Monthly Progress Reports	23
7.10.5.	Access to the Property	23
7.10.6.	Reasonableness.....	23
7.11.	Cost of Construction	23
8.	INSURANCE AND INDEMNIFICATION	23
8.1.	Bodily Injury, Property Damage, and Workers’ Compensation Insurance.....	23
8.2.	Bodily Injury, Property Damage, and Workers’ Compensation Insurance.....	24
8.3.	Indemnification.....	25
9.	POST PROJECT COMPLETION PURCHASE PRICE ADJUSTMENT	26
9.1.	Certificate of Completion.....	26
9.2.	Adjusted Purchase Price.....	27
9.3.	Reuse Appraisal	27
9.4.	Adjusted Purchase Price.....	28
9.5.	Request for the Purchase Price Adjustment.....	28
10.	DEVELOPER’S POST-DEVELOPMENT AND CONSTRUCTION OBLIGATIONS.....	29
10.1.	Taxes, Assessments, Encumbrances, and Liens	29
10.2.	In-Lieu-of Taxes.....	29
10.3.	Use of the Property During Term of the Redevelopment Plan	29
10.4.	Obligation to Refrain From Discrimination	30
10.4.1.	Effect and Duration of Covenants.....	30
10.4.2.	Provisions That Run With the Land.....	30
11.	DEFAULTS, REMEDIES, AND TERMINATION	31
11.1.	Defaults—General.....	31
11.2.	Written Notice	31
11.3.	No Waiver.....	31
11.4.	Materiality of Provisions	31
11.5.	Legal Actions.....	32
11.5.1.	Institution of Legal Actions.....	32
11.5.2.	Applicable Law.....	32
11.5.3.	Acceptance of Service of Process.....	32

11.5.4. Rights and Remedies	32
11.5.5. Specific Performance.....	32
11.6. Remedies and Rights of Termination Prior to Conveyance of the Property to Developer	33
11.6.1. Termination by Developer.....	33
11.6.2. Termination by Agency.....	34
12. GENERAL PROVISIONS.....	35
12.1. No Assignment of Rights	35
12.2. Notices, Demands, and Communications Between the Parties	35
12.3. Conflicts of Interest	36
12.4. Warranty Against Payment of Consideration for Agreement	36
12.5. Nonliability of Agency Officials and Employees	36
12.6. Forced Delay; Extension of Times of Performance	36
12.7. Inspection of Books and Records.....	37
12.8. Reports, Studies and Test	37
12.9. Approvals by the Parties	37
12.10. Attorney Fees.....	37
13. SPECIAL PROVISIONS.....	38
13.1. Amendment of Redevelopment Plan	38
13.2. Submission of Documents for Approval	38
13.3. Computation of Time	38
13.4. No Third-Party Beneficiary.....	38
13.5. Dispute Resolution	39
13.6. Good Faith and Cooperation	39
13.7. Entire Agreement, Waivers, and Amendments	39
13.8. Effective Date of Agreement	39

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between THE URBAN RENEWAL AGENCY OF BOISE, IDAHO, also known as the CAPITAL CITY DEVELOPMENT CORPORATION, and The Watercooler Project, LLC, a Delaware limited liability company qualified to do business in Idaho, individually referred to as a "Party" and collectively referred to as the "Parties." The Parties agree as follows:

1. DEFINITIONS

"Adjusted Purchase Price" has the meaning ascribed to it in Section 9.2.

"Agency" means the Urban Renewal Agency of Boise, Idaho, also known as the Capital City Development Corporation, and any assignee of or successor to its rights, powers, and responsibilities under this Agreement.

"Agency Closing Conditions" has the meaning ascribed to it in Section 5.3.1.

"Agreement" has the meaning ascribed to it in the first paragraph of this document.

"Agreement to Negotiate Exclusively" means the Agreement to Negotiate Exclusively executed by the Agency on June 24, 2015 and by an affiliate of the Developer (LCA-CA I, LLC) on June 18th, 2015.

"Certificate of Completion" means the Certificate of Completion for the Project, as ascribed to it in Section 9.1.

"City" means the City of Boise, Idaho.

"Close" and "Closing" refer to that point in time when a deed held in Escrow is recorded in the office of the Recorder of the county in which the subject property is located and funds due to Agency upon delivery of the such deed are available for distribution from the Escrow to Agency, notwithstanding that such funds may not actually be distributed due to wire transfer deadlines or similar circumstances.

"Closing" has the meaning ascribed to it in Section 5.2.3.

"Closing Date" means the date of the Closing.

"Deed" means the Special Warranty Deed.

“Deposit” has the meaning ascribed to it in Section 5.1.2.1.

“Design Review Drawings” has the meaning ascribed to it in Section 7.4, including any approved revisions.

“Developer” means The Watercooler Project, LLC, a Delaware limited liability company qualified to do business in Idaho, any Developer Affiliate that takes title to any portion of the Property under this Agreement, and any other permitted assignee or successor in interest as herein provided.

“Developer Affiliate” has the meaning ascribed to it in Section 2.4.2.

“Developer Closing Conditions” has the meaning ascribed to it in Section 5.3.2.

“Effective Date” has the meaning ascribed to it in Section 13.9.

“Environmental Reports” means the Phase I Environmental Site Assessment of the Property prepared by URS dated November 24, 2014, for the Idaho Department of Environmental Quality.

“Escrow” means the escrow set up by the Parties with the Escrow Agent with respect to the acquisition of the Property.

“Escrow Agent” has the meaning ascribed to it in Section 5.2.

“Final Construction Documents” means those drawings, plans, and specifications sufficient in detail to obtain a building permit for the Project, including a final landscaping and grading plan.

“Hazardous Materials” means any substance, material, or waste which is (1) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” or “restricted hazardous waste” under any provision of federal or Idaho law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251, *et seq.* (33 U.S.C. § 1321), or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (7) defined as a “hazardous substance” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.* (42 U.S.C. § 6903); (8) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.* (42 U.S.C. § 9601); or (9) determined by Idaho, federal, or local governmental authority to be capable of posing a risk of injury to health, safety, or property, including underground storage tanks.

“LocalConstruct, Inc.” means LocalConstruct, Inc., a California corporation and an affiliate of LocalConstruct Advisors, LLC.

“LocalConstruct Advisors, LLC”, means LocalConstruct, LLC, a Delaware limited liability company and manager of The WaterCooler, LLC.

“Memorandum” means a summary of this Agreement in the substance and form attached hereto as Attachment 9, to be recorded in the office of the Recorder of Ada County, Idaho.

“Party” has the meaning ascribed to it in the first paragraph of this document.

“Parties” has the meaning ascribed to it in the first paragraph of this document.

“Permitted Title Exceptions” has the meaning ascribed to it in Section 5.3.2(c).

“Plan Area” means the area under the jurisdictional scope of the Redevelopment Plan.

“Project” means the project that is the subject of this Agreement and more particularly described in Section 2.5 below.

“Project Area” means the Project Area identified in the Redevelopment Plan.

“Project Budget” has the meaning ascribed to it in Section 4.1(a).

“Property” means the real property described on Attachment 2.

“Purchase Price” has the meaning ascribed to it in Section 5.1.1.

“Purchase Price Adjustment Request” has the meaning ascribed to it in Section 9.5.

“Redevelopment Plan” means the Westside Downtown Renewal Plan as recommended by Agency and approved by City on December 4, 2001.

“Reuse Appraiser” has the meaning ascribed to it in Sections 9.2.

“Reuse Appraisal Data” has the meaning ascribed to it in Sections 9.2.

“Scope of Development” means the schedule attached to this Agreement as Attachment 3.

“Schedule of Performance” means the schedule attached to this Agreement as Attachment 4.

“Site” means certain real property with a property address of 1401 & 1403 W. Idaho Street, Boise, Idaho 83702 (the "Site") as depicted on Attachment A and described on Attachment B attached hereto and incorporated herein.

“Special Warranty Deed” means a deed in the substance and form of the draft deed attached hereto as Attachment 8.

“Supplemental Title Objections” has the meaning ascribed to it in Section 3.2.

“Title Company” means TitleOne Corporation, having an address of 1101 W. River St., Suite 201, Boise, ID 83702.

“Title Policy” has the meaning ascribed to it in Section 5.3.2(c).

“Title Report” has the meaning ascribed to it in Section 3.2.

“Urban Renewal Law” has the meaning ascribed to it in Section 2.4.1.

2. SUBJECT OF AGREEMENT

2.1. Purpose of This Agreement.

The purpose of this Agreement is to effectuate the Redevelopment Plan by memorializing the disposition of Agency owned property to Developer to facilitate the Project, for construction of a mixed use development within the Plan Area.

2.2. The Redevelopment Plan.

This Agreement is subject to the provisions of the Redevelopment Plan.

2.3. The Project Area.

The Project Area is located in the Plan Area, and the exact boundaries thereof are specifically described in the Redevelopment Plan.

2.4. Parties to This Agreement.

2.4.1. Agency

Agency is an independent public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Idaho Urban Renewal Law of the State of Idaho, title 50, chapters 20 and 29, Idaho Code (collectively the “Urban Renewal Law”). The office of Agency is located at 121 N. 9th Street, Ste. 501, Boise, Idaho.

2.4.2. Developer

Developer is The Watercooler Project, LLC, a Delaware limited liability company qualified to do business in Idaho. The principal office of Developer is located at 3112

Los Feliz Blvd, Los Angeles, CA, 90039. Developer reserves the right to transfer the rights under this Agreement as authorized herein, including the right to have the Property to which it is to take title hereunder conveyed to and developed by an affiliated entity that it has a majority ownership stake in and controls ("Developer Affiliate").

2.4.3. Developer's General Contactor

Developer has not made a final selection of its general contractor on the Project as of this date. The qualifications and identity of Developer's general contractor are of particular concern to Agency. In the event Developer desires to select another general contractor for the Project other than the contractor identified in materials supplied to the Agency by Developer, Developer agrees to notify Agency of such desire and provide the identity of the substitute general contractor for Agency's approval, which approval shall not be unreasonably withheld. Agency acknowledges that Developer may desire to use an affiliate of Developer (i.e., an entity owned and managed by Local Construct, Inc.) as the substitute general contractor.

2.5. The Project.

The Project that is the subject of this Agreement is an approximately 32,500 square-foot mixed-use apartment building. The Project includes approximately 32,500 square feet, 37 residential apartment units including 7 live-work units, 875 square feet of commercial space and 29 surface parking spaces (the "Project").

The Project will substantially conform to the Design Review Drawings, attached hereto as Attachment 5 (the "Design Review Drawings"), as amended.

2.6. Disposition Does Not Contemplate Land Speculation.

Developer represents and warrants that its undertakings pursuant to this Agreement are and will be used for the purpose of the development of the Project and not for speculation in landholding except as to the extent authorized in this Agreement.

2.7. Selection of Developer.

Developer further recognizes that in view of:

- (1) The importance of the Project as part of the development of the Property to the general welfare of the community;
- (2) the reliance by Agency on the real estate expertise of Developer and the continuing interest which Developer will have in the Project to assure the quality of the use, operation, and maintenance of the development thereof; and

- (3) the fact that a change in control of Developer or any other act or transaction involving or resulting in a significant change in the ownership or a change with respect to the identity of the parties in control of Developer or the degree thereof may be for practical purposes a transfer or disposition of any portion of the Project;

the qualifications and identity of Developer are of particular concern to Agency, and it is because of such qualifications and identity that Agency has entered into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein. Except as provided herein, Developer shall not assign all or any part of this Agreement without the prior written approval of Agency, which approval shall not be unreasonably withheld.

Developer warrants and represents to Agency that Developer is a manager-managed limited liability company. The sole manager of Developer is LocalConstruct Advisors, LLC. The manager of Developer has full and exclusive authority, power and discretion to manage and control the business and affairs of Developer relating to the acquisition and development of the Project, without the need for approval by the members of Developer. Although the manager is and intends to remain a member of Developer, the authority of the manager of Developer is not dependent upon the manager's ownership of a membership interest in Developer. The following shall not be changed without the prior written approval of Agency, which approval shall not be unreasonably withheld: (a) the structure of Developer as a manager-managed limited liability company; (b) the identity of the manager of Developer; (c) the number of managers of Developer; and (d) the authority of the manager as it relates to the Property and the Project.

It shall not be unreasonable for Agency to withhold its approval when using criteria such as those used by this and other redevelopment agencies in selecting redevelopers for similar developments, or because the proposed transferee does not have a current financial strength, experience, or reputation for integrity equal to or better than LocalConstruct, Inc., Mike Brown, and Casey Lynch as of the date this Agreement has been executed by Agency. Developer shall promptly notify Agency of any and all changes whatsoever in the identity of the parties having control of Developer. This Agreement may be terminated by Agency if there is any significant change (voluntary or involuntary) in the management or control of Developer in violation of this Agreement (other than such changes occasioned solely by the death or incapacity of an individual) that has not been approved by Agency prior to the time of such change, if such change occurs prior to the issuance of the Certificate of Completion referred to in Section 9.1.

Notwithstanding any other provisions hereof, Developer reserves the right, at its discretion and without the prior written consent of Agency, subject to the disclosure requirements set forth below, to join and associate with other persons in joint ventures, partnerships, or other entities for the purpose of acquiring and developing the Property, or portions thereof, provided that Developer maintains operating control of such entities

and remains fully responsible to Agency as provided in this Agreement with respect to the Property. This section is not deemed to preclude mortgage-lender participation and conditions therein, provided such mortgage-lender participation complies with this Agreement.

Provided further, however, Developer is required to make full disclosure to Agency of its principals, officers, managers, joint venturers, key managerial employees involved in the Project, and all similar material information concerning Developer, in each case to the extent relevant to Developer's performance hereunder. Any significant change during the period of this Agreement in the control of Developer or the control by Developer of the Project covered by this Agreement is subject to the approval of Agency, such approval not to be unreasonably withheld.

3. RIGHT OF ENTRY/REVIEW OF TITLE

3.1 Right of Entry; Developer's Investigations.

Subject to the conditions set forth herein, including the insurance and indemnity provisions set forth in Section 8, Developer and its agents, contractors, consultants, and employees are hereby given permission to access the Property at all reasonable times until the Closing (or earlier termination of this Agreement), during normal business hours, for the purpose of conducting tests and inspections of the Property, including surveys and architectural, engineering, geotechnical and environmental inspections and tests; provided, however, any intrusive or invasive investigations (e.g., core sampling, and including, without limitation, any environmental testing other than a Phase I or Phase II Environmental Site Assessment or update to any prior environmental assessments) shall be subject to Agency's prior written consent, which consent shall not be unreasonably withheld.

Developer shall provide to Agency, promptly upon completion and at no cost or expense to Agency, a list of all reports, studies and test results prepared by Developer's consultants and copies of any of the above-listed materials Agency might request. All of the foregoing inspections shall be performed by Developer at Developer's sole cost and expense.

As a condition to any such entry, inspection or testing, Developer shall (a) notify Agency in advance of the date and purpose of the intended entry and provide to Agency the names and/or affiliations of the persons entering the Property; (b) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property; (c) comply with all applicable laws and governmental regulations; (d) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed by or on behalf of Developer; (e) maintain or assure maintenance of workers' compensation insurance on all persons entering the Property in the amounts required by the State of Idaho; and (f) promptly repair any and all damage to the Property caused by Developer,

its agents, employees, contractors, or consultants and return the Property to its original condition following Developer's entry.

Developer shall indemnify, defend, and hold harmless Agency, and its officers, officials, representatives, members, employees, volunteers and agents from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees) arising from the entries of Developer, its agents, contractors, consultants, and employees upon the Property or from Developer's failure to comply with the conditions to Developer's entry onto the Property provided for herein; provided, however, the indemnity shall not extend to protect Agency from any pre-existing liabilities for matters merely discovered by Developer (e.g., latent environmental contamination). Such indemnity shall survive the Close of Escrow or the termination of this Agreement for any reason.

3.2 Review of Title; Approved Title Exceptions.

Prior to the Effective Date of this Agreement, Developer reviewed the Commitment for Title Insurance (attached hereto as Attachment No. 6) and underlying title documents disclosed therein for the Property, issued by the Title Company under File No. 14241739, having an effective date of November 23, 2015 (the "Title Report"). Developer agrees it shall accept title to the Property with the Permitted Title Exceptions, which include Exception Nos. 1,3,4,5,6 and 7 but NOT Exception No. 2 disclosed in the Title Report.

If, prior to the Close of Escrow, Developer receives any supplement to the Title Report (with the understanding that Developer shall have the right to order updates to the Title Report at any time prior to Close of Escrow) disclosing any new title matters that will adversely affect the development of the Project, not disclosed to Developer prior to the expiration of the Effective Date, Developer shall have five (5) business days from receipt of such supplemental title report (and all underlying documents referenced therein) to notify Agency of any objections ("Supplemental Title Objections") it may have with respect to the supplemental title report.

If Developer does not give such notice within such five (5) business day period, such failure shall be conclusively deemed to be Developer's approval of those matters.

If Developer has any Supplemental Title Objections, Agency shall have five (5) business days after receipt thereof to notify Developer that Agency (a) will cause or (b) elects not to cause any or all of the Supplemental Title Objections disclosed therein to be removed or insured over by the Title Company in a manner reasonably satisfactory to Developer. Agency's failure to notify Developer within such five (5) business day period as to any Supplemental Title Objections that Agency is willing to cure or cause to be insured over shall be deemed an election by Agency not to remove or have the Title Company insure over such Supplemental Title Objections.

If Agency notifies or is deemed to have notified Developer that Agency shall not remove nor have the Title Company insure over any or all of the Supplemental Title

Objections, Developer shall have three (3) business days after the expiration of Agency's five (5) business day period to respond to Developer's Supplemental Title Objections to either (a) terminate this Agreement or (b) waive such Supplemental Title Objections and proceed to Closing, without any abatement or reduction in the purchase price on account of such Supplemental Title Objections or (c) propose an abatement or reduction in the purchase price on account of such Supplemental Title Objections, which the Agency shall have 10 days to accept or reject.

If Developer does not give notice within said period. Developer shall be deemed to have elected to waive the Supplemental Title Objections.

3.3 Demolition of Existing Structures on the Property.

After the Effective Date, Developer may request permission from Agency to demolish the existing structures on the Property. Agency's permission shall only be valid if provided to Developer in writing. Agency retains sole discretion to grant such permission. Upon receipt of such written permission and contingent upon Developer obtaining the insurance required under Section 8.1 and meeting the requirements of Section 8.1, Developer may enter the Property to demolish the existing building on the Property. Prior to any demolition work, Developer shall provide Agency thirty (30) days' advance notice. During this thirty-day period, Agency may object to any demolition work until such time Agency has removed any personal property from the Property.

3.4 Compliance With Laws.

Developer shall comply with applicable laws and building codes with respect to any work or investigations on the Property prior to Closing, including the City's Erosion Control Program.

4. EVIDENCE OF PROJECT FINANCING

4.1. Submission of Preliminary Evidence of Financing.

No later than ninety (90) days after the Effective Date or such later time as may be approved by Agency, Developer shall submit to Agency's Executive Director evidence satisfactory to the Executive Director that Developer will have at or before Closing the financial capability necessary for the acquisition of the Property and the development of the Project thereon pursuant to this Agreement. Such preliminary evidence of financial capability shall include all of the following:

- (a) Reliable cost estimates for Developer's total cost of acquiring the Property and developing the Project (including both "hard" and "soft costs") ("Project Budget").
- (b) A copy of the term sheets or loan commitment or commitments obtained by Developer, or a Letter of Intent and proof of funds from and equity partner, for

all of the sources of funds to finance acquisition of the Property and construction of the Project. All copies of term sheets and loan commitments submitted by Developer to Agency shall be certified by Developer to be true and correct copies thereof. Each commitment for financing shall be in such form and content acceptable to Agency's Executive Director and shall reasonably evidence a firm and enforceable commitment, with only those contingencies and conditions that are standard or typical for similar projects prior to land closing.

(c) If the total Project Budget exceeds the amount of financing commitments received pursuant to subparagraph (b) above, evidence satisfactory to the Executive Director demonstrating that Developer has adequate funds available and committed to cover such difference.

4.2. Time to Approve Evidence of Financing.

Agency shall approve or disapprove of Developer's evidence of financing within twenty (20) days of receipt of a complete submission. Agency's approval shall not be unreasonably withheld. If Agency's Executive Director shall disapprove such evidence of financing, he or she shall do so by written notice to Developer stating the reasons for such disapproval and Developer shall promptly resubmit its evidence of financial capability, as modified to conform to Agency's requirements, not more than twenty (20) days after receipt of the Agency Executive Director's disapproval.

4.3. Public Records Law.

All information submitted to Agency may be subject to the Idaho Public Records Law. As an alternative to formal submittal of this required information, Developer may allow an inspection and review of such information by Agency. In such case, Agency shall provide a notice of approval of evidence of financing in writing within the time allotted in Section 4.2.

4.4. Lender Modifications.

The Parties acknowledge that substantial debt financing will be necessary for the development of the Project. Developer may submit for Agency approval, and Agency shall reasonably consider, modifications to this Agreement requested by Developer's lenders or prospective lenders for the Project.

5. DISPOSITION AND CONVEYANCE OF THE PROPERTY

5.1. Disposition and Conveyance of the Property.

In accordance with and subject to all the terms, covenants, and conditions of this Agreement, Agency agrees to convey the entire fee estate of the Property in the condition required pursuant to Section 6 of this Agreement to Developer.

Developer agrees to develop the Property within the time, for the consideration, and subject to the terms, conditions, and provisions as herein provided, including, without limitation, as provided in the Scope of Development (**Attachment 3**) and the Schedule of Performance (**Attachment 4**). Agency agrees to meet its obligations herein provided with respect to the Property including, without limitation, as provided in the Scope of Development and the Schedule of Performance. The time periods set forth in the Schedule of Performance may be extended for up to 90 days in total if the delays are caused by matters beyond the Developer's reasonable control. Any extension must be agreed upon in writing by Agency's Executive Director.

The sale of the Property by Agency to Developer is for purpose of development, in compliance with the Urban Renewal Law, and to achieve the objectives of the Redevelopment Plan. Thus, use of the Property for land speculation is prohibited.

5.1.1. Purchase Price

The purchase price for the Property (the "Purchase Price") is Nine Hundred Eighty Five Thousand Dollars (\$985,000.00). The Purchase Price is the fair market value of the Property unencumbered by this Agreement, as determined by the Parties based upon the commercial appraisal obtained by Agency from Valbridge Property Advisors, dated September 30, 2014.

5.1.2. Payment of Purchase Price

5.1.2.1. Deposit. Developer previously deposited with Agency the sum of Fifteen Thousand Dollars (\$15,000.00) under the terms of the Agreement to Negotiate Exclusively. Upon full execution of this Agreement, the Agreement to Negotiate Exclusively shall be of no further effect and such sum shall become a deposit under this Agreement ("Deposit"). The Deposit shall be credited to the Purchase Price upon the Closing.

5.1.2.2. Closing Funds. At least one (1) day prior to the Closing, the balance of the Purchase Price shall be deposited into Escrow by Developer by (i) a wire transfer of funds, (ii) cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of Idaho, or (iii) cash.

5.2. Escrow.

Within five (5) business days after the Effective Date of this Agreement, the Parties agree to open an escrow (the "Escrow") with TitleOne Corporation (the "Escrow Agent"). This Agreement constitutes the joint escrow instructions of Agency and Developer, and a duplicate original of this Agreement shall be delivered to the Escrow Agent upon the opening of the Escrow. Agency and Developer shall provide such additional escrow instructions as shall be necessary and consistent with this Agreement. The Escrow Agent hereby is empowered to act under this Agreement and, upon indicating its acceptance of the provisions of this Section in writing delivered to

Agency and to Developer within five (5) days after the opening of the Escrow, shall carry out its duties as Escrow Agent hereunder.

5.2.1. Escrow Instructions

This Agreement, together with any standard instructions of Escrow Agent that the Parties may subsequently execute, and any additional instructions of Developer and Agency to Escrow Agent consistent with the provisions of this Agreement, shall constitute the joint escrow instructions of Developer and Agency to Escrow Agent as well as an agreement between Developer and Agency. In the event of any conflict between the provisions of this Agreement and Escrow Agent's standard instructions, if executed by the Parties, this Agreement shall prevail.

5.2.2. Payment of Costs

Developer and Agency shall each pay one-half of the Escrow fee, any charges for recording the Special Warranty Deed and the other documents to be recorded hereunder (to the extent the County Recorder's Office does not waive such charges). Agency shall pay the charge for an ALTA standard owner's policy in the amount of the Purchase Price. Developer shall pay the charge for any additional title coverage requested by Developer, including an ALTA extended owner's policy, if Developer obtains such policies. Developer will be responsible for paying endorsements desired by Developer except for the cost of any endorsements Agency agrees to provide to cure any Supplemental Title Objections pursuant to Section 3.2. Agency and Developer shall each be responsible for their respective attorneys' fees and costs. Taxes and assessments, if any, applicable to periods before and after Closing shall be allocated to the Property and prorated between the Parties in an equitable manner. Agency shall cause all utilities serving the Property to be terminated on or before Closing and shall be responsible for costs associated with such utility services prior to Closing. All other costs of the Escrow not specifically allocated in this Agreement shall be allocated to the Parties as is customary in a commercial real estate transaction in Ada County, Idaho.

5.2.3. Close of Escrow

The Close of Escrow ("Closing") shall occur within ten (10) days after the date all of the Agency Closing Conditions and the Developer Closing Conditions in Sections 5.3.1 and 5.3.2 (other than the conditions on the delivery of documents and funds into Escrow, which shall occur during said ten (10) day period) are satisfied or waived by the benefited party, but in no event later than the date that is ten (10) months after the Effective Date.

5.2.4. Deliveries by Agency

On or before the scheduled Closing Date, Agency shall deliver the following to Escrow Agent:

- (a) the Special Warranty Deed, duly executed and acknowledged by Agency;
- (b) the Memorandum, duly executed and acknowledged by Agency;
- (c) all other documents reasonably required by Escrow Agent from Agency to carry out and close the Escrow pursuant to this Agreement.

5.2.5. Deliveries by Developer

On or before the scheduled Closing Date, Developer shall deliver the following to Escrow Agent:

- (a) the balance of the Purchase Price;
- (b) the Memorandum, duly executed and acknowledged by Developer;
- (c) executed construction loan documents for the Project consistent with the evidence of financing as approved by Agency pursuant to Section 4; and
- (d) all other sums and documents reasonably required by Escrow Agent from Developer to carry out and close the Escrow pursuant to this Agreement, including Developer's portion of the Escrow fees and prorations.

5.2.6. Closing, Recording and Disbursements

On the Closing Date (except as otherwise provided below), and when all of the conditions precedent to the Close of Escrow set forth in Sections 5.3.1 and 5.3.2 of this Agreement have been satisfied or waived by the appropriate party in writing, Escrow Agent shall take the actions set forth in this Section.

- (a) Recording. Escrow Agent shall cause the Special Warranty Deed and the Memorandum to be recorded in the office of the Recorder of Ada County, Idaho.
- (b) Disbursement of the Purchase Price. Escrow Agent shall disburse the Purchase Price to Agency after deducting therefrom the escrow closing costs and prorations chargeable to Agency hereunder. In anticipation of Developer's request for an adjustment to the Purchase Price (see Section 9), Agency shall cause the difference between the Purchase Price and the Adjusted Purchase Price to be promptly deposited and held in a dedicated account at the bank at which Agency maintains its bank accounts, until remittance to Developer pursuant to Section 9 or until default by Developer that is not cured per the terms of this Agreement. Any interest accruing on such funds shall be payable to the party to whom such funds are distributed. Agency shall, upon Developer's request, provide Developer (or Developer's lenders if so directed by Developer) with the most recent bank account statement for the dedicated account or other evidence of the account balance for Agency's dedicated bank account. The

Parties acknowledge Developer's lender or lenders may request additional information or that the Parties enter additional agreements concerning these funds and Agency's retention of such funds. The Parties agree to act reasonably and cooperate in good faith to meet Developer's lender's or lenders' requests.

(c) Delivery of Closing Documents. Escrow Agent shall deliver to Developer the recorded Special Warranty Deed. Escrow Agent shall deliver to Agency the recorded Memorandum, and any other documents (or copies thereof) deposited by Developer with Escrow Agent pursuant to this Agreement, with copies of same to Developer.

(d) Delivery of Title Policy. Escrow Agent shall instruct the Title Company to deliver the Title Policy to Developer.

5.2.7. General Escrow Account

All funds received in the Escrow shall be deposited by the Escrow Agent with other escrow funds of the Escrow Agent in a general escrow account or accounts with any state or national bank doing business in the State of Idaho. Such funds may be transferred to any other such general escrow account or accounts. All disbursements shall be made by check of the Escrow Agent. All adjustments shall be made on the basis of a 30-day month.

5.2.8. Termination

If the Escrow is not in condition to close before the time for conveyance established in this Agreement, either Party who then shall have fully performed the acts to be performed before the Closing, may, in writing, terminate this Agreement in the manner set forth in Section 11.6 hereof, and demand the return of its money, papers, and documents. Thereupon all obligations and liabilities of the Parties under this Agreement shall cease and terminate in the manner set forth in Section 11.6 hereof. If neither Agency nor Developer shall have fully performed the acts to be performed before the time for conveyance established in the Schedule of Performance, no termination or demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other Party or Parties at the address of its or their principal place or places of business. If any objections are raised within the 10-day period, the Escrow Agent is authorized to hold all money, papers, and documents until instructed in writing by both Agency and Developer or upon failure thereof by a court of competent jurisdiction. If no such demands are made, the Parties shall cause the Closing to occur as soon as possible. The terms of this paragraph shall not affect the rights of Agency or Developer to terminate this Agreement under Section 11 hereof. Nothing in this Section shall be construed to impair or affect the rights or obligations of Agency or Developer to specific performance.

5.2.9. Amendment

Any amendment of these escrow instructions shall be in writing and signed by both Agency and Developer. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

5.2.10. No Real Estate Commissions or Fees

Agency represents that it has not engaged any broker, agent, or finder in connection with this transaction. Developer represents that it has not engaged a broker in connection with this transaction. Developer agrees to hold Agency harmless from any claim concerning any real estate commission or brokerage fees arising out of Developer's actions and agrees to defend and indemnify Agency from any such claim asserted concerning the commission or brokerage fees. Agency agrees to hold Developer harmless from any claim concerning any real estate commission or brokerage fees arising out of Agency's actions and agrees to defend and indemnify Developer from any such claim asserted concerning the commission or brokerage fees. Provided, however, nothing herein shall prevent Developer from preleasing or preselling space within the Project, thus incurring real estate commissions or brokerage fees. In no event, though, shall Agency be liable for any real estate commission or brokerage fees on account of any such preleasing or preselling activity.

5.3. Conditions to Property Transfer.

5.3.1. Conditions to Agency's Obligations

In addition to any other condition set forth in this Agreement in favor of Agency, Agency shall have the right to condition its obligation to convey the Property to Developer and close the Escrow upon the satisfaction, or written waiver by Agency, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "Agency Closing Conditions"):

(a) **Permits and Approvals.** Developer shall have obtained all land use approvals and entitlements (other than grading permits, building permits and condominium plat approvals) for the development of the Project from all governmental agencies with jurisdiction. With regard to such land use approvals and entitlements issued by the City for the Project, the time period for appealing or challenging such approvals and entitlements shall have expired with no challenge having been timely filed, or if timely filed, either the approval or entitlement has been upheld or such action has otherwise been concluded in a manner satisfactory to Developer and Agency. Developer shall have obtained approval of its final grading plans and building plans for the Project and grading permits and building permits shall be ready to be issued upon payment of fees. Developer shall provide written confirmation from the City that the permits and approvals are ready to be issued.

(b) **Developer_Deliveries Made.** Developer has deposited with Escrow Agent all sums and documents required of Developer by this Agreement for the Closing.

(c) **Insurance.** Developer shall have timely submitted and obtained Agency's approval of the insurance required pursuant to Section 8.1 of this Agreement.

(d) **Evidence of Financing.** Agency shall have approved Developer's evidence of financing in accordance with Section 4 of this Agreement, and the financing for the Project shall close and be available to Developer upon Developer's acquisition of the Property.

(e) **No Default.** Developer shall not be in material default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured), and all representations and warranties of Developer contained herein shall be true and correct in all material respects.

(f) **Construction Contract.** Prior to Closing, Developer shall submit to Agency a construction contract for the Project that requires the Project to be constructed for an amount that does not substantially exceed the Project Budget, as described in Section 4.1(a).

5.3.2. Conditions to Developer's Obligations

In addition to any other condition set forth in this Agreement in favor of Developer, Developer shall have the right to condition its obligation to purchase the Property and close the Property Escrow upon the satisfaction, or written waiver by Developer, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "Developer Closing Conditions"):

(a) **Permits and Approvals.** Developer shall have obtained all land use approvals and entitlements for the conveyance of the Property and for the development of the Project from all governmental agencies with jurisdiction, with the exception of grading permits, building permits and final condominium plat approvals. The time period for appealing or challenging such approvals and entitlements shall have expired with no challenge having been timely filed, or if timely filed, either the approval or entitlement has been upheld or such action has otherwise been concluded in a manner satisfactory to Developer and Agency. Developer shall have obtained approval of its final grading plans and building plans for the Project and grading permits and building permits shall be ready to be issued upon payment of fees.

(b) **Agency Deliveries Made.** Agency has deposited with Escrow Agent all documents required of Agency by this Agreement for the Closing.

(c) **Title Policy.** The Title Company is unconditionally and irrevocably committed to issue to Developer at Closing a ALTA standard coverage owner's title policy, or, upon Developer's request, an ALTA extended coverage owner's policy of title insurance ("Title Policy"), insuring Developer's title to the Property in the amount of the Purchase Price, subject only to the following (collectively, the "Permitted Title Exceptions"): the standard exceptions and exclusions from coverage contained in such form of the policy; matters created by, through or under Developer; items disclosed by the Survey; items that would have been disclosed by a physical inspection of the Property on the Effective Date; real estate taxes not yet due and payable; the documents to be recorded under this Agreement; any mutually agreed upon Supplemental Title Objections; and the exceptions disclosed in the Title Report that are listed in the first paragraph of Section 3.2 of this Agreement. If Developer requests ALTA extended coverage, any standard exceptions shall not be Permitted Title Exceptions.

(d) **No Default.** Agency shall not be in default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured), and Agency's representations and warranties contained herein shall be true and correct in all material respects as of the date of this Agreement and the Closing Date.

(e) **Debt and Equity Financing.** That Developer is able to obtain and submit to Agency evidence of financing reasonably acceptable Developer and Agency and that all conditions to any financing commitments for the Project approved by Agency are satisfied and such commitments are fulfilled by the lenders and other third parties involved. A commitment to make a construction loan shall be considered fulfilled upon execution of the loan agreement by Developer and the lender and depositing with Escrow Agent the mortgage or deed of trust executed by Developer securing the loan.

(f) **Construction Contract.** Prior to Closing, Developer shall submit to Agency a construction contract for the Project that requires the Project to be constructed for an amount that does not substantially exceed the Project Budget, as described in Section 4.1(a).

5.4. Satisfaction of Conditions.

Where satisfaction of any of the foregoing conditions requires action by Developer or Agency, each party shall use its diligent efforts, in good faith, and at its own cost, to expeditiously satisfy such condition. If a party is not in a position to know whether or not a condition precedent has been satisfied, then the party that is aware of the status of the condition shall immediately notify the other party.

5.5. Waiver.

Agency may at any time or times, at its election, waive any of the Agency Closing Conditions set forth in Section 5.3.1, but any such waiver shall be effective only if contained in a writing signed by Agency and delivered to Developer. Developer may at any time or times, at its election, waive any of the Developer Closing Conditions set forth in Section 5.3.2, but any such waiver shall be effective only if contained in a writing signed by Developer and delivered to Agency.

5.6. Termination.

In the event each of the Agency Closing Conditions set forth in Section 5.3.1 is not fulfilled by the outside date for the Closing Date, or such earlier time period as provided for herein, or waived by Agency pursuant to Section 5.5, and provided Agency is not in default of this Agreement, Agency may at its option terminate this Agreement and the Escrow opened hereunder. In the event that each of the Developer Closing Conditions set forth in Section 5.3.2 is not fulfilled by the outside date for the Closing Date, or such earlier time period as provided for herein, or waived by Developer pursuant to Section 5.5, and provided Developer is not in default of this Agreement, Developer may at its option terminate this Agreement and the Escrow opened hereunder. No termination under this Agreement shall release either party then in default from liability for such default. In the event this Agreement is terminated, all closing documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to Developer; provided, however, that Agency shall retain the Deposit so long as Agency has fully performed the obligations required to be performed by Agency prior to that time.

6. CONDITION OF THE PROPERTY.

6.1. "As Is".

Subject to Agency's representations and warranties expressly set forth in this Agreement, Developer acknowledges and agrees that any portion of the Property that it acquires from Agency pursuant to this Agreement shall be purchased "as is."

6.2. Agency Representations.

Agency represents and warrants to Developer as follows: (1) Agency has given Developer complete copies of the Title Report and the Environmental Reports; (2) the Title Report, the Survey and Environmental Reports constitute all information of which Agency has actual knowledge concerning the physical condition of the Property, including, without limitation, information about any Hazardous Materials or violations of any applicable laws; (3) the individuals entering into this Agreement on behalf of Agency have the authority to bind Agency; (4) entering into this Agreement and the

consummation of the transactions contemplated hereby have been duly authorized by all necessary Agency action and do not violate the laws governing Agency's activities or any other agreement to which Agency is a party; (5) upon Close of Escrow, there will be no tenants, occupants or other parties in possession of the Property. These representations and warranties shall survive Close of Escrow and delivery of any Deed to Developer.

6.3. Environmental Release and Waiver.

Subject to Agency's representations and warranties expressly set forth in this Agreement, Developer hereby releases and waives all rights, claims, or causes of action Developer may have in the future against Agency arising out of or in connection with any Hazardous Materials at, on, in, beneath, or from the Property.

7. DEVELOPMENT OF THE PROPERTY.

7.1. Scope of Development.

If acquired by Developer, the Property shall be developed as provided in the Scope of Development, subject to the terms and conditions of this Agreement.

7.2. Local, State, and Federal Laws.

Developer shall carry out any required construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards.

7.3. Antidiscrimination During Construction.

Developer, for itself and its successors and assigns, agrees that in the construction of the improvements provided for in this Agreement, Developer will not discriminate against any employee or applicant for employment because of physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/expression, marital status, ancestry, or national origin.

7.4. Design Review Drawings.

The Parties acknowledge Developer has submitted to Agency Design Review Drawings attached hereto (Attachment 5). Agency approves the Design Review Drawings for development of the Property. If Developer proposes or advances any substantial change to the design of the Project, which change would be of such significance to require re-submittal to the City Design Review Committee, Developer shall provide Agency updated and revised Design Review Drawings. Agency shall have fifteen (15) days to review, approve, disapprove, or modify such changes. Any disapproval shall state in writing the reasons for disapproval and the changes which

Agency requests to be made. Such reasons and changes must be consistent with the Scope of Development and any items previously approved or deemed approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval.

7.5. Final Construction Documents.

Thirty (30) days prior to Closing, Developer shall submit to Agency Final Construction Documents. The Final Construction Documents shall be approved, approved conditionally, or disapproved within the time established in the Schedule of Performance and subject to the provisions of Sections 7.6, 7.7, 7.8, and 7.9. Provided, City's approval of the Final Construction Documents shall constitute Agency's approval unless Agency notifies Developer in writing within fifteen (15) days after Developer notifies Agency that City has approved the Final Construction Documents.

7.6. Agency Approval of Plans, Drawings, and Related Documents.

Subject to the terms of this Agreement, Agency shall have the right of reasonable architectural review of all plans and drawings, including any substantial changes therein. In reviewing the Final Construction Documents, Agency shall be guided by the Redevelopment Plan for the Project Area. Developer shall make every reasonable effort to present drawings and plans in compliance with the guidelines. In the event Developer seeks deviation or waiver from those guidelines, Developer shall so indicate when those drawings and plans are submitted. The guidelines shall be applicable unless specifically waived by Agency.

7.7. Communication; Revisions.

Agency and Developer shall communicate and consult informally as frequently as is necessary to ensure that the formal submittal of any documents to Agency can receive prompt and speedy consideration. If any revisions or corrections of plans approved by Agency shall be required by any government official, agency, department, or bureau having jurisdiction or any lending institution involved in financing, Developer and Agency shall cooperate in efforts to revise or correct the plans or obtain a waiver of such requirements or to develop a mutually acceptable alternative.

7.8. Prompt Review.

Agency shall promptly approve the Final Construction Documents to the extent such plans, drawings, and related documents are consistent with plans (including the Design Review Drawings) previously approved by Agency. Agency may designate a committee of its members and staff to expedite plan approvals. Failure by Agency either to approve or to disapprove plans that are consistent with plans previously approved by Agency within the times established in the Schedule of Performance shall

be deemed an approval. Any such approved plans, drawings, and related documents shall not be subject to subsequent disapproval. Provided, however, if Developer proposes or advances any change to the exterior design of the Project previously approved by Agency, Agency shall have the right to review, approve, disapprove, or modify such changes within the time frames and in compliance with the procedures stated herein. Any disapproval shall state in writing the reasons for disapproval and the changes which Agency requests to be made. Such reasons and changes must be consistent with the Scope of Development and any items previously approved or deemed approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall review such plans, drawings, and related documents (or such portions thereof) and resubmit them to Agency as soon as possible after receipt of the notice of disapproval. Plans approved or deemed approved hereunder shall be deemed in all respects to be in accordance with the Redevelopment Plan.

7.9. Changes to Final Construction Documents.

If Developer desires to make any substantial change in the Final Construction Documents after their approval, such proposed change shall be submitted to Agency for approval. For purposes of this section, and this section only, "substantial change" is defined as any change in the Final Construction Documents which by such change will revise the value or cost of the Project (following completion) by more than fifteen percent (15%), change the size of the Project by more or less than fifteen percent (15%), or change the use of the Project by more or less than fifteen percent (15%). If Final Construction Documents, as modified by the proposed change, conform to the requirements of Section 7.5 of this Agreement and the Scope of Development, the proposed change shall be approved and the Party submitting such change shall be notified in writing within ten (10) days after submission. Such change in the construction plans shall, in any event, be deemed approved unless rejected, in whole or in part, by written notice thereof setting forth in detail the reason therefore, and such rejection shall be made within such 10-day period.

7.10. Construction Phase Reporting.

The Parties acknowledge and agree that communication and cooperation between the Parties is imperative to the successful completion of the Project and to achieve the objectives of the Redevelopment Plan. Therefore, the Parties shall endeavor to keep the other Party sufficiently informed regarding matters related to the development and construction of the Project so the other Party can have a meaningful opportunity to review, comment, and respond on matters relating to the other Party's performance of its obligations under this Agreement.

7.10.1. Developer's Obligations

Developer, as requested by Agency, shall:

7.10.1.1. Permit Agency staff to attend weekly and/or monthly construction progress and design meetings for the Project to permit Agency to assess the progress of development and construction and assess compliance with the Scope of Development, the Schedule of Performance, and the adherence of the development and construction to the plans approved by Agency.

7.10.1.2. Provide Agency with a monthly written status report on the Project (consisting of a simple narrative of the status, an update as to the progress on the schedule of performance and a summary of the percentage of completion) in sufficient time to allow for their distribution to Agency's board of directors prior to their regular monthly meetings; such monthly report shall include any photos taken by Developer in the normal course of project supervision that would be helpful to supplement the simple written narrative in the monthly status reports.

7.10.1.3. If requested, attend and provide oral status reports on the Project at regular monthly meetings of Agency's board of directors; and

7.10.1.4. To the extent the meetings described in Section 7.10.1.1 above are not adequate, schedule and attend meetings at the request of the Agency with Agency's staff, Agency's consultants, and representatives from the City of Boise or other public entities (if necessary) for general coordination and review of the progress and schedule of the Project, any implementation agreements or other documents to be submitted by either Party, and any other tasks necessary or convenient for development of the Project to achieve the objectives of the Redevelopment Plan.

7.10.2. Agency's Obligations

In furtherance of this Section, Agency shall:

7.10.2.1. provide timely and meaningful comments to the information, reports, and other documents submitted to Agency by Developer; and

7.10.2.2. upon Developer's request, provide Developer with all of Agency's comments, conditions, and requirements regarding Developer's plans for the Project in sufficient time (provided that Developer provides Agency with a reasonable period of time for Agency to review Developer's plans) for Developer to respond to Agency's comments, conditions, and requirements prior to filing an application with City for the Project.

7.10.3. Meeting Attendance

The Parties shall use their best reasonable efforts to have their respective principals and staff members available, as needed, to participate in meetings, hearings, and work sessions if requested by the other Party.

7.10.4. Monthly Progress Reports

7.10.5. Access to the Property

For the purpose of assuring compliance with this Agreement, representatives of Agency shall have the reasonable right of access to the Property without charges or fees and at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the improvements. Agency shall cause anyone who comes onto the Property on Agency's behalf to comply with applicable OSHA or other safety regulations.

7.10.6. Reasonableness

Developer shall reasonably comply with the requirements of the Redevelopment Plan and shall prepare Final Construction Documents consistent with the Design Review Drawings. Agency will not unreasonably impose requirements regarding materials, design elements, construction methods or other elements that materially affect the costs of the Project, or which would cause development of the Project to become economically infeasible as set forth in Subsection 11.6.1.4. Nothing herein shall limit the reviewing authority of Agency granted under this Agreement, provided, however, that Agency and Developer acknowledge that cooperation between the parties is essential to the development of the Project.

7.11. Cost of Construction.

As between the Parties the cost of developing and constructing all improvements on the Property under this Agreement shall be borne by Developer unless agreed to otherwise in writing.

8. INSURANCE AND INDEMNIFICATION.

8.1. Bodily Injury, Property Damage, and Workers' Compensation Insurance.

Developer shall, or through its contractor shall, at its sole cost, obtain and maintain in force from and after the Closing insurance of the following types, with limits

not less than those set forth below with respect to the Project, and with the following requirements:

8.2. Bodily Injury, Property Damage, and Workers' Compensation Insurance.

Developer shall, or through its contractor shall, at its sole cost, obtain and maintain in force from and after the Closing insurance of the following types, with limits not less than those set forth below with respect to the Project, and with the following requirements:

8.2.1. Commercial General Liability Insurance (Occurrence Form) with a minimum combined single limit liability of \$2,000,000 each occurrence for bodily injury and property damage; with a minimum limit of liability of \$2,000,000 each person for personal and advertising injury liability. Such policy shall have an aggregate products/completed operations liability limit of not less than \$2,000,000 and a general aggregate limit of not less than \$2,000,000. The products/completed operations liability coverage shall be maintained in full force and effect for not less than three (3) years following completion of the Project issuance of a certificate of occupancy, whichever is later. The policy shall be endorsed to name Agency, including its respective affiliates, the financing parties and the respective officers, directors, and employees of each as additional insureds. All policies shall be occurrence form policies and not a claims-made policy.

8.2.2. Builder's Risk Insurance upon the Project covering one hundred percent (100%) of the replacement cost of the Project. This policy shall be written on a builder's risk "all risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the construction, temporary buildings, falsework, and construction in transit, and shall insure against at least the following perils: (i) fire; (ii) lighting; (iii) explosion; (iv) windstorm or hail; (v) smoke; (vi) aircraft or vehicles; (vii) riot or civil commotion; (viii) theft; (ix) vandalism and malicious mischief; (x) leakage from fire extinguishing equipment; (xi) sinkhole collapse; (xii) collapse; (xiii) breakage of building glass; (xiv) falling objects; (xv) debris removal; (xvi) demolition occasioned by enforcement of laws and regulations; (xviii) weight of snow, ice, or sleet; (xx) weight of people or personal property;

8.2.3. Workers' Compensation Insurance, including occupational illness or disease coverage, in accordance with the laws of the nation, state, territory, or province having jurisdiction over Developer's employees, and Employer's Liability Insurance with minimum limits as required by law. Developer shall not utilize occupational accident or health insurance policies, or the equivalent, in lieu of mandatory Workers' Compensation Insurance or otherwise attempt to opt out of the statutory Workers' Compensation system.

8.2.4. Automobile Liability Insurance covering use of all, non-owned, and hired automobiles with a minimum combined single limit of liability for bodily injury and property damage of \$1,000,000 per occurrence.

8.2.5. Waiver of Subrogation. All insurance provided by Developer under this Agreement shall include a waiver of subrogation by the insurers in favor of Agency. Developer hereby releases Agency, including its respective affiliates, directors, and employees, for losses or claims for bodily injury, property damage, or other insured claims arising out of Developer's performance under this Agreement or construction of the Project.

8.2.6. Certificates of Insurance. Developer (or Developer's contractor(s), as applicable) shall provide certificates of insurance satisfactory in form to Agency (ACORD form or equivalent) to Agency evidencing that the insurance required above is in force, that, to the extent commercially reasonable, not less than thirty (30) days' written notice will be given to Agency prior to any cancellation or restrictive modification of the policies, and that the waivers of subrogation are in force. Developer (or Developer's contractor(s), as applicable) shall also provide, with its certificate of insurance, executed copies of the additional insured endorsements and dedicated limits endorsements required in this Agreement. At Agency's request, Developer shall provide a certified copy of each insurance policy required under this Agreement.

8.2.7. All policies of insurance required by this Agreement shall be issued by insurance companies with a general policyholder's rating of not less than A and a financial rating of AAA (or equivalent ratings if such are changed) as rated in the most current available "Best's Insurance Reports" and qualified to do business in the State of Idaho.

8.2.8. The foregoing insurance coverage shall be primary and non-contributing with respect to any other insurance or self-insurance that may be maintained by Agency. Developer's General Liability Insurance policy shall contain a Cross-Liability or Severability of Interest clause. The fact that Developer has obtained the insurance required in this Section shall in no manner lessen or affect Developer's other obligations or liabilities set forth in the Agreement.

8.3. Indemnification.

Developer shall indemnify and hold Agency, and its officers, agents, and employees harmless from and against all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses, including reasonable architect and attorney fees (collectively referred to in this Section as "claim"), which may be imposed upon or incurred by or asserted against Agency, or its respective officers, agents, and employees by reason of any of the following occurrences:

8.3.1. Any work or thing done in connection with the Project by or at the direction of Developer, including, without limitation, inspection of the Property prior to Closing,

any work on the Property prior to Closing, and the construction of any improvements, or any tenant improvements, in each case by or at the direction of Developer; or

8.3.2. Any use, nonuse, possession, occupation, condition, operation, maintenance, or management of the Project or any part thereof by Developer; or

8.3.3. Any negligence on the part of Developer or any of its agents, contractors, servants, employees, subtenants, operators, licensees, or invitees; or

8.3.4. Any accident, injury, or damage to any person or property occurring in, on, or about the Property or any part thereof during construction of the Project by or at the direction of Developer; or

8.3.5. Any failure on the part of Developer to perform or comply with any of the terms, provisions, covenants, and conditions contained in this Agreement to be performed or complied with on its part.

8.3.6. In case any action or proceeding is brought against Agency, or its respective officers, agents, and employees by reason of any such claim for which Developer is required to provide indemnification hereunder, Developer, upon written notice from Agency shall, at Developer's expense, resist or defend such action or proceeding.

8.3.7. Notwithstanding the foregoing, Developer shall have no obligation to indemnify and hold Agency and its respective officers, agents, and employees harmless from and against any matter to the extent it arises from the active negligence or willful act of Agency, or its respective officers, agents, or employees or from conduct resulting in an award of punitive damages against Agency. The obligations of Developer under this Section are not intended to run with the land or to be binding upon subsequent owners of portions of the Property.

9. POST PROJECT COMPLETION PURCHASE PRICE ADJUSTMENT.

9.1. Certificate of Completion.

Promptly after completion of all construction and development to be completed by Developer for the Project, Developer shall submit to Agency a request for a certificate of completion for the Project ("Certificate of Completion"). Agency shall promptly issue the Certificate of Completion if (a) City has issued a certificate of occupancy for the shell and core of the Project and (b) if Developer is not in default under this Agreement and Agency has not sent notice to Developer of any event which with the passing of time could give rise to a default under this Agreement. The Parties acknowledge the failure to construct the Project within the time frame set forth in the Schedule of Performance may, after Agency provided Developer with written notice of default and an opportunity to cure any such default as set forth in Sections 11.1 and

11.2, be considered by Agency as a default by Developer under this Agreement. Agency shall not unreasonably withhold the Certificate of Completion.

The Certificate of Completion shall be executed by Agency and Developer and be in such form as to permit it to be recorded by the Office of the County Recorder of Ada County, Idaho.

The Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory completion of the construction of the Project and conclusive determination of satisfactory completion of the obligations of Developer and Agency required by this Agreement with respect to completion of the construction of the Project.

The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage securing money loaned to finance the improvements or any part thereof. Such Certificate of Completion is not notice of completion as referred to under other laws of the State of Idaho.

9.2. Adjusted Purchase Price.

By law, Agency may dispose of real property for no less than the fair re-use value. In order to determine the fair re-use value, Agency engaged an appraiser (the "Reuse Appraiser") to determine the fair reuse value for the Property (the "Reuse Appraisal") at Agency's expense. Developer submitted data required by the Reuse Appraiser, which data (the "Reuse Appraisal Data") was used by the Reuse Appraiser to prepare the Reuse Appraisal.

9.3. Reuse Appraisal.

The Adjusted Purchase Price is based upon Reuse Appraisal Data including but not limited to market conditions; density of development; costs expected to be incurred and revenues expected to be realized in the course of developing and disposing of the Project; sizes and expected sales prices or rents; square footages of uses of the residential spaces; leasing or sales prices for other uses and assets such as commercial and retail spaces; assumptions regarding soft costs such as marketing and insurance; risks of Agency; risks of Developer; Developer participation in the funding of public facilities and amenities; estimated or actual Developer return including assumptions regarding entrepreneurial incentive, overhead and administration; and restrictions, limitations, or requirements upon use and development of the Property as these factors apply to the Project; estimated market value for the Property as a part of the Project; and estimated costs for any anticipated public improvements. The Reuse Appraisal is attached hereto as **Attachment 7**.

9.4. Adjusted Purchase Price.

The adjusted purchase price for the Property (the "Adjusted Purchase Price"), subject to the conditions set forth in the following section, shall be One Dollar (\$1.00).

9.5. Request for the Purchase Price Adjustment.

Upon completion of the construction of the Project and Agency's issuance of the Certificate of Completion, Developer shall submit to Agency a request for a purchase price adjustment for the Property (the "Purchase Price Adjustment Request"). The Purchase Price Adjustment Request shall include a written explanation of the final completed Project with emphasis on how the final completed Project as built construction substantially conforms to the Design Review Drawings and Final Construction Documents approved by Agency.

9.5.1. The request shall include a detailed statement of construction costs, including, but not limited to, contractor payment requests, construction draws and change orders approved for payment, evidence of payment and determination whether certain expense items were incurred which were not previously identified in the construction and renovation estimate or within the drawings and construction plans submitted pursuant to this Agreement. In the event Agency is unsatisfied with the information, Agency may request and Developer shall provide such information as certified by an independent certified public accountant who is a member of the American Institute of Certified Public Accountants.

9.5.2. Upon Agency's request, Developer shall coordinate a tour of the completed the Project by Agency Board members and/or staff to review the project and assess whether or not the completed project conforms to the Design Review Drawings and the Final Construction Documents.

9.5.3. Agency shall have thirty (30) days to review the Purchase Price Adjustment Request and confirm Developer's performance of its obligations under this Agreement.

9.5.4. The purpose of the written explanation and the tour is to allow Agency to determine whether or not the as built Project substantially conforms to the Design Review Drawings and Final Construction Documents. If the as built Project substantially conforms to the Design Review Drawings and Final Construction Documents, the Purchase Price shall be adjusted and Agency shall, within thirty (30) calendar days of Agency's receipt of the Purchase Price Adjustment Request, remit to Developer the difference between the Purchase Price and the Adjusted Purchase Price. If the Project, as built, does not substantially conform to the Design Review Drawings and the Final Construction Documents, the Purchase Price shall not be adjusted.

10. DEVELOPER'S POST-DEVELOPMENT AND CONSTRUCTION OBLIGATIONS.

Anything to the contrary in this Agreement notwithstanding, the following provisions set forth in this Section are the only obligations of Developer intended to survive with respect to the Property following the issuance of a Certificate of Completion.

10.1. Taxes, Assessments, Encumbrances, and Liens.

Developer shall pay when due all ad valorem property taxes and personal property taxes and assessments assessed and levied on the Property for any period subsequent to Developer's acquisition of the Property from Agency, respectively. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amounts of any tax, assessment, encumbrance, or lien or to limit the remedies available to Developer with respect thereto.

10.2. In-Lieu-of Taxes.

In the event the Property or any improvements thereon or any possessory interest therein should at any time be subject to ad valorem taxes or privilege taxes levied, assessed, or imposed on the Property, Developer shall pay taxes upon the assessed value of the entire Property and any improvements thereon and not merely upon the assessed value of its ownership of the Property interest. In the event the Property or any portion thereof or leasehold interest is leased, conveyed, or transferred to an entity exempt or partially exempt from ad valorem taxes and to the extent that ad valorem, privilege, or any other taxes or assessments levied on the Property or any improvements thereon are of a lesser amount than would be levied if the Property or any portion thereof were entirely in private, nonexempt ownership, the then owner of the Property shall be responsible to pay as in-lieu-of taxes the difference between the taxes and assessments actually levied and the taxes and assessments which would be levied if the Property or any portion thereof were privately owned. Developer shall pay such difference to Agency within thirty (30) days after the taxes for such year become payable to the taxing agencies and in no event later than the delinquency date of such taxes established by law. Any in-lieu-of taxes received by Agency pursuant to this Section shall be treated by Agency as incremental tax revenues and promptly deposited upon receipt into the appropriate Agency account. The obligation set forth in this Section shall terminate and cease to be of any effect upon the payment of taxes for tax year 2025, the date upon which the current Redevelopment Plan expires. Developer acknowledges payments in lieu of taxes for taxes levied and imposed in 2025 are due and payable in 2026.

10.3. Use of the Property During Term of the Redevelopment Plan.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest that during construction and thereafter, Developer, its successors,

and assignees shall devote the Property to the uses specified in the Redevelopment Plan, the Deeds, and this Agreement for the periods of time specified therein. The Property shall only be used for the uses specified in the Scope of Development.

10.4. Obligation to Refrain From Discrimination.

Developer covenants by and for Developer and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of physical disability, race, color, creed, religion, sex, sexual orientation, gender identity/ expression, marital status, ancestry, or national origin. in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of Property, nor shall Developer or any person claiming under or through Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. The foregoing covenants shall run with the land.

10.4.1. Effect and Duration of Covenants

Except as otherwise provided in this Section and the Deeds, the covenants contained in this Section and the Deeds shall remain in effect until December 31, 2025 (the termination date of the Redevelopment Plan). The covenants against discrimination shall remain in effect in perpetuity. The covenants established in this Agreement that expressly run with land and the Deeds shall, without regard to technical classification and designation, be binding for the benefit and in favor of Agency, Agency's successors and assigns, City, and any successors in interest to the Property or any part thereof.

10.4.2. Provisions That Run With the Land

Agency is deemed the beneficiary of the terms and provisions of this Agreement that expressly run with the land for and in its own rights and for the purposes of protecting the interests of the community and other parties, public or private, in whose favor and for whose benefit this Agreement and the covenants running with the land have been provided. The covenants that expressly run with the land shall run in favor of Agency without regard to whether Agency has been, remains, or is an owner of any land or interest therein in the Property, any parcel or subparcel, or in the Project Area. Agency shall have the right, if the covenants that expressly run with the land are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of such covenants may be entitled. Notwithstanding the foregoing, if Developer or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Agreement after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising

under this Agreement prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Agreement with respect to such portion of the Property after the conveyance.

11. DEFAULTS, REMEDIES, AND TERMINATION.

11.1. Defaults—General.

Failure or delay by either Party to perform any term or provision of this Agreement after receiving notice and an opportunity to cure as set forth herein shall constitute a default under this Agreement. Upon receipt of such notice, a Party must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy with reasonable diligence. A Party so acting and during any period of curing shall not be in default.

11.2. Written Notice.

The Party claiming a failure or delay in performance shall give written notice of default to the Party failing or delaying performance specifying the default complained of by the injured Party. Except as required to protect against further damages, the Party claiming default may not institute proceedings against the Party in default until sixty (60) days after giving such notice, said sixty (60) days constituting the period to cure any default.

11.3. No Waiver.

Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert, or enforce any such rights or remedies.

11.4. Materiality of Provisions.

It is expressly understood and agreed that each of the covenants, promises, stipulations, and agreements of the Parties hereto and under the provisions of this Agreement are an integral and indivisible part of the consideration given by each to the other and that each covenant, promise, stipulation, and agreement of the Parties shall be deemed and construed as material. Subject to Section 11.1 above, it is further understood and agreed that time is of the essence of this Agreement; that failure, refusal, or neglect for any reason whatsoever of either Party hereto to perform any of the covenants, promises, stipulations, or agreements to be performed by the Party pursuant to the terms and provisions of this Agreement shall constitute a material default on the part of the Party failing to perform such covenant, promise, stipulation, or agreement; and that the occurrence of any such default on the part of either Party shall

give the other Party the right to terminate or otherwise enforce this Agreement in accordance with the provisions of this Section.

11.5. Legal Actions.

11.5.1. Institution of Legal Actions

Subject to the express limitations herein, either Party may institute legal action to cure, correct, or remedy any default or recover damages for any default or to obtain any other remedy consistent with the purpose of this Agreement.

11.5.2. Applicable Law

The laws of the State of Idaho shall govern the interpretation and enforcement of this Agreement.

11.5.3. Acceptance of Service of Process

In the event that any legal action is commenced by Developer against Agency, service of process on Agency shall be made by personal service upon the Chair of Agency or in such other manner as may be provided by law. In the event that any legal action is commenced by Agency against Developer, service of process on Developer shall be made by personal service upon Developer or in such other manner as may be provided by law and shall be valid whether made within or without the State of Idaho.

11.5.4. Rights and Remedies

Subject to the express limitation herein, the rights and remedies of the Parties are cumulative, and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

11.5.5. Specific Performance

If Developer or Agency has provided notice and an opportunity to cure pursuant to Section 11.1, the default is not cured, the nondefaulting Party, at the nondefaulting Party's option, may institute an action for specific performance of the terms of this Agreement provided that specific performance shall be limited to those actions which necessitate action on the part of a Party but not for any action where damages (including, without limitation, liquidated damages pursuant to Section 11.5.6 below) are otherwise available.

11.5.6. Limitation on Agency's Remedies Prior to Developer's Acquisition of the Property

If Developer defaults in its obligation to acquire the Property or to satisfy any conditions relating to the acquisition of the Property, Agency's sole and exclusive remedy shall be to terminate this Agreement and retain Developer's Deposit relating to the Property as liquidated damages. Such amount to be retained by Agency has been agreed by the Parties to be reasonable compensation and the exclusive remedy in those events, because the precise amount of damages in those events would be difficult to determine.

11.6. Remedies and Rights of Termination Prior to Conveyance of the Property to Developer.

11.6.1. Termination by Developer

In the event that prior to Closing for the Property, as applicable:

11.6.1.1. Agency does not tender title to the Property, as applicable, or possession thereof in the manner and condition and by the dates provided in this Agreement, and any such failure is not cured within sixty (60) days after written demand by Developer; or

11.6.1.2. Agency is unable to perform its obligations as set forth in the Scope of Development; or

11.6.1.3. the zoning of the Property, as applicable, does not permit the development, construction, use, operation, or maintenance of the improvements specified in the Scope of Development and in this Agreement to be developed and constructed thereon; or

11.6.1.4. Developer, after and despite reasonably diligent effort and prior to the dates established therefore in the Schedule of Performance, is unable to obtain and submit the evidence of financing reasonably acceptable to Agency or on or before Agency's approval of Developer's evidence of financing, Developer notifies Agency in writing that, in Developer's judgment, it is not economically or financially feasible for Developer to perform or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance; or

11.6.1.5. Agency is in breach or default with respect to any other obligation of Agency under this Agreement, subject to the cure provisions set forth in Section 11 of this Agreement;

then this Agreement may, at the option of Developer, be terminated by written notice thereof to Agency. Upon such termination, neither Agency nor Developer shall have

any further rights against or liability to the other under this Agreement. In the event this Agreement is so terminated, all closing documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to Developer; provided, however, that Agency shall retain any Deposit so long as Agency has fully performed the obligations required to be performed by Agency prior to that time.

11.6.2. Termination by Agency

In the event that prior to the conveyance of the Property, as applicable, to Developer:

11.6.2.1. Developer fails to pay the Deposit as required by Section 5.1.2.1 of this Agreement;

11.6.2.2. Developer transfers or assigns or attempts to transfer or assign this Agreement or any rights herein or in the Property or the buildings or improvements thereon in violation of this Agreement; or

11.6.2.3. there is any significant change in the legal structure or control of Developer contrary to the provisions of Section 2.7 hereof; or

11.6.2.4. after and despite diligent effort and prior to the dates established therefore in the Schedule of Performance, subject to the cure provisions set forth in of Section 11 of this Agreement, Developer is unable to obtain and submit the evidence of financing reasonably acceptable to Agency or before Agency's approval of Developer's evidence of financing Developer notifies Agency in writing that, in Developer's judgment, it is not economically or financially feasible for it to perform or finance its obligations under this Agreement in the time established therefore in the Schedule of Performance; or

11.6.2.5. Developer fails to submit to Agency Final Construction Documents subject to the cure provisions set forth in Section 11 of this Agreement; or

11.6.2.6. Subject to the cure provisions set forth in of Section 11 of this Agreement, Developer does not pay the Purchase Price and take title to the Property under tender of conveyance by Agency pursuant to this Agreement; or

11.6.2.7. Developer is in breach or default with respect to any other obligation of Developer under this Agreement, subject to the cure provisions set forth in of Section 11 of this Agreement; or

11.6.2.8. the zoning of the Property does not permit the development, construction, use, operation, or maintenance of the improvements specified in

the Scope of Development and in this Agreement to be developed and constructed thereon; or

11.6.2.9. Agency is unable to perform its obligations as set forth in the Scope of Development;

then this Agreement may, at the option of Agency, be terminated by Agency by written notice thereof to Developer. Upon such termination, neither Agency nor Developer shall have any further rights against or liability to the other under this Agreement. In the event this Agreement is so terminated, all closing documents and funds delivered by Agency to Developer or Escrow Agent shall be returned immediately to Agency and all closing documents and funds delivered by Developer to Agency or Escrow Agent shall be returned immediately to Developer; provided, however, that Agency shall retain any Deposit so long as Agency has fully performed the obligations required to be performed by Agency prior to that time.

12. GENERAL PROVISIONS.

12.1. No Assignment of Rights.

Prior to the issuance by Agency of a Certificate of Completion pursuant to Sections 9 and 10 with respect to the Property, Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign, or lease the whole or any part of such Property or the buildings or improvements thereon without the prior written approval of Agency, which approval shall not be unreasonably withheld. Conveyance to a Developer Affiliate shall be permitted and shall not be subject to further review or approval by Agency. This prohibition shall not apply subsequent to the issuance of the Certificate of Completion, which shall signify Agency's acknowledgment that the work required on the Property has been completed. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the Project or to prohibit or restrict the leasing of any part or parts of a building or structure when said improvements are completed or to prohibit or restrict the preleasing or preselling of any part or parts of the structure so long as the lessee or buyer shall obtain no rights under this Agreement and that any right to occupy or acquire any part of the structure prior to Developer completing all the necessary improvements shall be terminable by Agency in the event Developer fails to complete all the necessary improvements. In the absence of specific written agreement by Agency, no such transfer, assignment, or approval by Agency shall be deemed to relieve Developer from any obligations under this Agreement until completion of the Project as evidenced by the issuance of a Certificate of Completion.

12.2. Notices, Demands, and Communications Between the Parties.

Formal notices, demands, and communications between Agency and Developer shall be sufficiently given upon dispatch if dispatched by registered or certified mail,

postage prepaid, return receipt requested, to the principal offices of Agency and Developer as set forth in Section 2.4 hereof. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail.

12.3. Conflicts of Interest.

No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly involved.

12.4. Warranty Against Payment of Consideration for Agreement.

Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as for architects, engineers, and attorneys.

12.5. Nonliability of Agency Officials and Employees.

No member, official, or employee of Agency shall be personally liable to Developer in the event of any default or breach by Agency or for any amount which may become due to Developer or on any obligations under the terms of this Agreement.

12.6. Forced Delay; Extension of Times of Performance.

In addition to the specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, material, or tools; delay of any contractor, subcontractor, or suppliers; acts of another Party; proceedings before or acts or failures to act of any public or governmental agency or entity, including approvals by any historic preservation agency (other than acts or failures to act of Agency shall not excuse performance by Agency); approvals by building officials for issuance of building permits; and temporary cessation of work for archeological digs, environmental analysis, or removal of hazardous or toxic substances; or any causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the forced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the Party claiming such extension is sent to the other Parties more than thirty (30) days after the commencement of the cause, the period shall commence to run only

thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by the Parties.

12.7. Inspection of Books and Records.

Agency has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of Developer pertaining to the Project as pertinent to the purposes of this Agreement. Developer also has the right, upon not less than seventy-two (72) hours' notice, at all reasonable times, to inspect the books and records of Agency pertaining to the Project as pertinent to the purposes of this Agreement.

12.8. Reports, Studies and Test.

If Developer does not proceed with the purchase of the Property and development of the Project, Agency may retain possession of any reports, studies and test results prepared by Developer's consultants, including any soils or engineering tests concerning the Property, previously submitted by Developer. Building and improvement designs, plans and specifications are not intended to be covered by the preceding sentence. However, Developer agrees not to prevent Agency from obtaining building and improvement designs, plans, and specifications from Developer's design professionals if Agency and such design professionals enter into a separate arrangement for Agency to obtain such designs, plans, and specifications. Agency or any other person or entity designated by Agency shall be free to use such reports, studies, and test results for any reason whatsoever without cost or liability thereof to Developer or any other person, except to the extent Agency may have to reach agreement with Developer's consultants. Developer does not make and hereby expressly disclaims any representation or warranty as to the accuracy of any such information or Agency's right to rely thereon.

12.9. Approvals by the Parties.

Wherever this Agreement requires Agency and/or Developer to approve, or permits a Party to submit to the other Party for approval, any contract, document, plan specification, drawing, or other matter, such approval shall not be unreasonably withheld, conditioned or delayed.

12.10. Attorney Fees.

In the event of any action or proceeding at law or in equity between Developer and Agency to enforce any provision of this Agreement or to protect or establish any right or remedy of either Party hereunder, the unsuccessful Party to such litigation shall pay to the prevailing Party all costs and expenses, including reasonable attorney fees incurred therein by such prevailing Party (including such costs and fees incurred on appeal), and if such prevailing Party shall recover judgment in any such action or

proceeding, such costs, expenses, and attorney fees shall be included in and as a part of such judgment.

13. SPECIAL PROVISIONS.

13.1. Amendment of Redevelopment Plan.

Pursuant to the provisions of the Redevelopment Plan or modification or amendment therefore, Agency agrees that no amendment that changes the uses or development permitted on the Property or changes the restrictions or controls that apply to the Property or otherwise affects the Property shall be made or become effective without the prior written consent of Developer. Amendments to the Redevelopment Plan applying to other property in the Project Area shall not require the consent of Developer.

13.2. Submission of Documents for Approval.

Whenever this Agreement requires either Party to submit plans, drawings, or other documents to the other Party for approval, which shall be deemed approved if not acted on by the Party within a specified time, said plans, drawings, or other documents shall be accompanied by a letter stating that they are being submitted and shall be deemed approved unless rejected by the other Party within the stated time. If there is no time specified herein for such Party's action, the other Party may submit a letter requiring approval or rejection of documents within thirty (30) days after submission or such documents shall be deemed approved.

13.3. Computation of Time.

In computing any period of time prescribed or allowed under this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last calendar day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. As used herein, "legal holiday" means a legal holiday recognized by Agency on which the offices of Agency are closed for regular business.

13.4. No Third-Party Beneficiary.

The provisions of this Agreement are for the exclusive benefit of Agency and Developer, and their successors and assigns, and not for the benefit of any third person; nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third person except for provisions expressly for the benefit of a mortgagee or lender of Developer or its successors and assigns.

13.5. Dispute Resolution.

In the event that a dispute arises between the Parties concerning (i) the meaning or application of the terms of, or (ii) an asserted breach of this Agreement, the Parties shall meet and confer in a good faith effort to resolve their dispute. The first such meeting shall occur within thirty (30) days of the first written notice from either Party evidencing the existence of the dispute. The Chair of Agency and the managing member of Developer shall both be included among the individuals representing the Parties at the first such meeting. If the Parties shall have failed to resolve the dispute within thirty (30) days after delivery of such notice, the Parties agree to first consider to settle the dispute in an amicable manner by mediation or other process of structured negotiation under the auspices of a nationally or regionally recognized organization providing such services in the Northwestern United States or otherwise, as the Parties may mutually agree before resorting to litigation or to arbitration. The costs of such mediation or other process of structured negotiation shall be equally split between the Parties. Should the Parties be unable to resolve the dispute to their mutual satisfaction within thirty (30) days after such completion of mediation or other process of structured negotiation, or if the Parties cannot mutually agree to attempt to settle any dispute by mediation or other process of structured negotiation, each Party shall have the right to pursue any rights or remedies it may have at law or in equity.

13.6. Good Faith and Cooperation.

It is agreed by Agency and Developer to act in good faith in compliance with all of the terms, covenants, and conditions of this Agreement and shall deal fairly with each other.

13.7. Entire Agreement, Waivers, and Amendments.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof including, without limitation, the Agreement to Negotiate Exclusively. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Agency and Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of Agency and Developer.

13.8. Effective Date of Agreement.

This Agreement, when executed by Developer and delivered to Agency, must be authorized, executed, and delivered by Agency within forty-five (45) days after the date of signature by Developer or this Agreement shall be void, except to the extent that Developer shall consent in writing to further extensions of time for the authorization, execution, and delivery of this Agreement. Developer recognizes that Agency must comply with certain notice, solicitation, and comment periods and a disclosure process

as required by law. Because of that process Agency may be unable to execute this Agreement as proposed, and in such event, this Agreement shall be void. The effective date of this Agreement (the "Effective Date") shall be the date when this Agreement has been signed by Agency.

[signatures on following page]

AGENCY:
THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

_____, 2015

DEVELOPER:

The Watercooler Project, LLC
a Delaware limited liability company

By _____
Michael J. Brown

For LocalConstruct Advisors, LLC,
It's **Manager**

_____, 2015

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 2015, before me,
_____, the undersigned notary public in and for said county
and state, personally appeared John Brunelle, known or identified to me to be the
Executive Director of THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE,
IDAHO, ALSO KNOWN AS THE CAPITAL CITY DEVELOPMENT CORPORATION, the
public body, corporate and politic, that executed the within instrument on behalf of said
Agency, and acknowledged to me that such Agency executed the same for the
purposes herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
Commission Expires _____

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of _____, 2015, before me,
_____, the undersigned notary public in and for said
county and state, personally appeared _____, known or identified to me to
be the _____ of _____, an Idaho limited liability company, "Developer"
herein, and acknowledged to me that he executed the within instrument on behalf of
such Developer for the purposes herein contained.

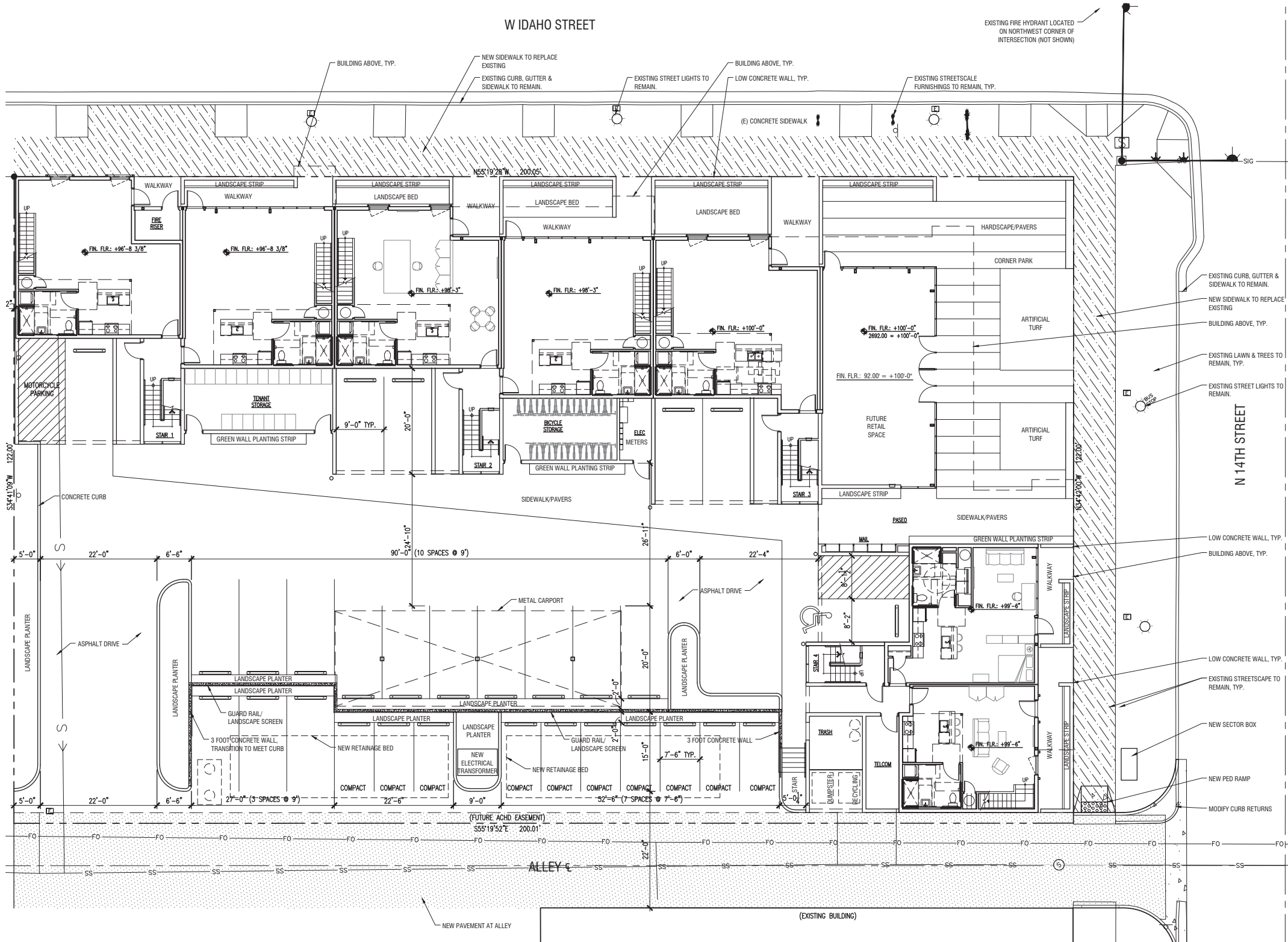
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
Commission Expires _____

LIST OF ATTACHMENTS

- | | |
|--------------|---|
| Attachment 1 | Site Plan of The Watercooler Apartments, 1401 W. Idaho Street, Boise, Idaho (“Site Plan”) |
| Attachment 2 | Legal Description of the Property (“Legal Description”) |
| Attachment 3 | Scope of Development |
| Attachment 4 | Schedule of Performance |
| Attachment 5 | Design Review Drawings |
| Attachment 6 | Title Report |
| Attachment 7 | Reuse Appraisal |
| Attachment 8 | Form of Deed |
| Attachment 9 | Form of Memorandum |

Attachment 1 Site Plan of the Property



1 SITE PLAN
 SCALE: 1" = 10'-0"



PROJECT SUMMARY

LOT AREA:.....±24,408 S.F. (.56 ACRES)	FRONT YARD SETBACK:.....0 FT.	TOTAL UNITS:.....37	PROPOSED PARKING:
ZONING (CURRENT/PROPOSED):.....C1-DD/C-SDD	STREET SIDE YARD SETBACK:.....0 FT.	LIVE/WORK:.....7 (19%)	TOTAL PARKING STALLS REQUIRED/PROVIDED:.....44/29
PARCEL No.:.....R1013007656	SIDE YARD SETBACK:.....0 FT.	1 BDRM 1 BATH:.....6 (16%)	TOTAL ACCESSIBLE STALLS REQ'D/PROVIDED:.....1/1
TOWNSHIP/RANGE/SECTION:.....T3NE10	REAR YARD SETBACK:.....0 FT.	2 BDRM 1 BATH:.....14 (38%)	TOTAL COMPACT STALLS:.....12
PARCEL No.:.....R1013007651	MAXIMUM BUILDING HEIGHT:.....NONE	2 BDRM 2 BATH:.....8 (22%)	TOTAL COVERED STALLS REQ'D/PROVIDED:.....0/6
TOWNSHIP/RANGE/SECTION:.....T3NE10	ACTUAL BUILDING HEIGHT:.....45 FT.	3 BDRM 2 BATH:.....2 (5%)	BICYCLE PARKING REQUIRED/PROVIDED:.....37/37
	TOTAL BUILDINGS:.....1		

PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702



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FILE
 DATE: NOVEMBER 10, 2015
 FILE NO.: 15-621 A1.0
 DESIGNER: DAVID RUBY, AIA

REVISIONS

Attachment 2 Legal Description of the Property

Legal Description:

Parcel A:

Lot 9 and the West 16 feet of Lot 10 in Block 114 of Boise City Original Townsite, according to the official plat thereof, filed in Book 1 of Plats at Page 1, official records of Ada County, Idaho.

Parcel B:

Lots 11 and 12 and the East 34 feet of Lot 10 in Block 114 of Boise City Original Townsite, according to the official plat thereof, filed in Book 1 of Plats at Page 1, official records of Ada County, Idaho.

Attachment 3

Scope of Development

Attachment 3: Scope of Development

The Watercooler Project includes one three-story mixed-use residential and retail building on property located at 1401 W. Idaho Street. The building sits in an “L” shaped structure against the sidewalks on 14th and Idaho Streets. There is a small pocket park and 875 sf retail shell space located on the corner of 14th and Idaho. The building consists of (7) live/work units with mezzanines on the ground floor. Floors two and three each contain (15) residential units for a total of (37) residential units in the building. Parking (29 spaces) is located in a surface parking lot accessed from the alley, south of the building.

The building design is cohesive throughout, with a taller first floor height to emphasize the retail components on the ground floor. The exterior materials consist primarily of stucco and vertical simulated wood siding. The building is separated into (4) pods which step down and toward the street as you progress away from the corner park. Approximately half of the ground level live/work spaces have full height glazing to reflect a retail appearance, while the remaining units have smaller windows that align with windows above. Upper floor are accessed via a Paseo on 14th street which acts as the main entry to the parking area and to the stairways to upper levels for tenants and guests. Live/work units are accessed directly from the sidewalks. Windows are large and align from floor to floor in an orderly pattern.

Attachment 4

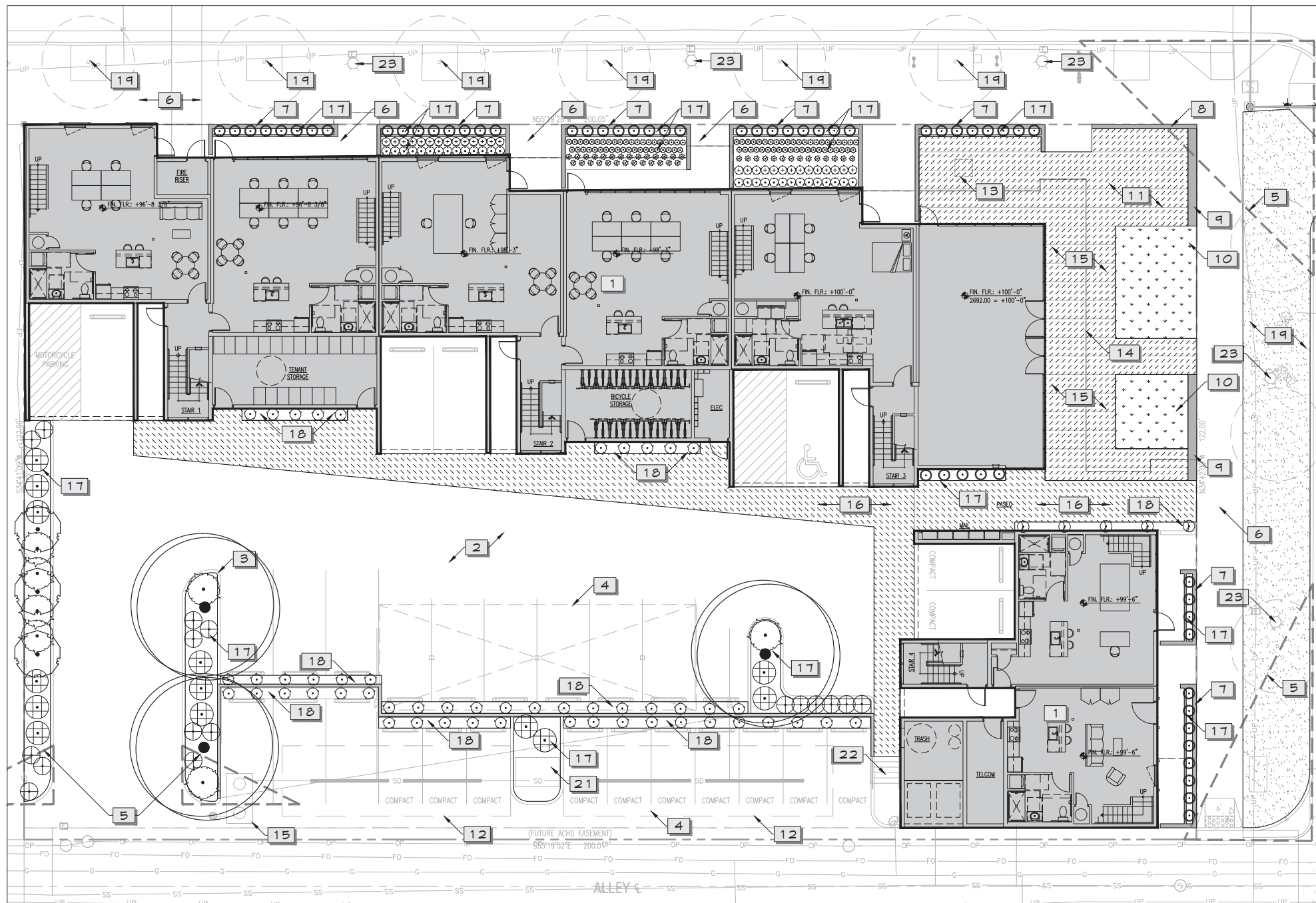
Schedule of Performance

Schedule of Performance, The Watercooler Project, LLC; CCDC DDA

	Action	Due Date	Section
1	<u>Execution & Delivery of Agreement by Developer.</u> Developer shall execute and deliver this Agreement to Agency.	On or before December 23, 2015.	
2	<u>Execution and Delivery of Agreement by Agency.</u> Agency shall consider approval of this Agreement, and if approved, shall deliver one executed original to Developer.	Within 30 days of execution and delivery by Developer.	
3	<u>Escrow Opening.</u> Agency shall open escrow for the sale of Parcel to Developer.	Within 5 business days of Execution of Agreement by Agency.	5.2
4	<u>Submission of Final Construction Documents.</u> Developer shall prepare and submit to Agency and City for review and approval construction plans sufficient to obtain a building permit for the Project. Agency's approval shall be presumed upon City's approval unless otherwise indicated by Agency in writing within fifteen (15) days of Developer's written notice to Agency of City's approval.	30 days prior to Closing	7.5
5	<u>Developer Submission of Evidence of Financing.</u> Developer shall submit its evidence of financing for the Project.	Within ninety (90) days of Execution of Agreement by Agency	4.1
6	<u>Agency Approval of Developer Evidence of Financing.</u> Agency shall approve or disapprove Developer's evidence of financing.	Within 20 Days of submission by the Developer.	4.2
7	<u>Insurance.</u> Developer shall furnish evidence of the insurance required under the Agreement to Agency.	Prior to Closing.	8
8	<u>City and Government Permits.</u> Developer shall secure all necessary permits, other than building permits and condominium plat approvals, for the Project.	Prior to Closing.	5.3.1 (a)
9	<u>Construction Loan Closings.</u> Developer shall have closed its loan for the construction of the Project	Concurrently with Closing	5.3.1 (d)
10	<u>Conditions Precedent to Closing.</u> All Conditions Precedent to Closing shall be satisfied or waived as appropriate.	Prior to Closing.	5.3
11	<u>Closing.</u> Agency shall close escrow and convey Parcel to Developer.	In no event later than seven (7) months after the Effective Date.	5.2.3
12	<u>Commencement of Construction</u> of the Project	Within 30 days following Closing.	
13	<u>Completion of Construction.</u> Developer shall complete construction of Project.	Approximately 12 months after commencement of sitework.	
14	<u>Certificate of Completion.</u> Agency shall provide Certification of Completion to Developer.	Within 30 days of receipt of Certificate of Occupancy from the City or other written confirmation from the City that Project has been completed.	9.1
15	<u>Purchase Price Adjustment.</u> Subject to the terms of the Agreement, Agency shall reimburse Developer the difference between the Purchase Price and the Adjusted Purchase Price.	Within 30 days of Developer's request.	9

Attachment 5

Design Review Drawings



1 LANDSCAPE PLAN
SCALE: 1" = 10'-0"

PLANT SCHEDULE

TREES	BOTANICAL NAME / COMMON NAME	CONT	CAL	QTY
●	Liquidambar styraciflua 'Slender Silhouette' / Columnar Sweet Gum CLASS II	B 4 B	2'Gal	3
●	Tilia cordata 'Greenspire' / Greenspire Littleleaf Linden CLASS II	B 4 B	2'Gal	3
SHRUBS	BOTANICAL NAME / COMMON NAME	SIZE	FIELD 2	QTY
○	Galamagrostis x acutiflora 'Karl Foerster' / Feather Reed Grass	1 gal		57
○	Hydrangea anomala petiolaris / Climbing Hydrangea	1 gal		5
○	Juniperus horizontalis 'Wiltonii' / Blue Rug Juniper	2 gal		7
○	Liriope muscari 'Big Blue' / Big Blue Lilyturf	1 gal		41
○	Ophiopogon planiscapus 'Nigrescens' / Black Mondo Grass	1 gal		84
○	Parthenocissus quinquefolia / Virginia Creeper	1 gal		51
○	Rosa x 'Flower Carpet Red' / Rose	2 gal		13
○	Sedum reflexum 'Blue Spruce' / Blue Stonecrop	1 gal		28
○	Sedum spurium 'Voodoo' / Voodoo Sedum	1 gal		28
○	Spiraea x bumalda 'Neon Flash' / Neon Flash Spirea	2 gal		17

REFERENCE NOTES SCHEDULE

CODE	DESCRIPTION	QTY	DETAIL
1	NEW BUILDING		
2	PARKING LOT		
3	6" CURB, TYP (see Civil)		
4	COVERED PARKING (see Architectural)		
5	CLEAR VISION TRIANGLE (40'x40' @ intersections, 10'x20' @ driveway-alley)		
6	SIDEWALK / WALKWAY (see Civil)		
7	2" WALL 4 PLANTER, (see Architectural & Structural)		
8	WALL AT BENCH HEIGHT (18"), (see Architectural & Structural)		
9	BENCH (see Architectural & Structural)		
10	ARTIFICIAL TURF: K9 DELUX 60 BY PROGREEN		
11	HARDSCAPE PAVERS IN PARK: M5G63 BROWN RED FLAMED BY MASONRY CENTER		
12	SEEPAGE BED, (see Civil)		
13	FIRE FEATURE (see Architectural)		
14	BUILDING ABOVE (see Architectural)		
15	SAND 4 GREASE TRAP (REFERENCE CIVIL)		
16	PASEO, HARDSCAPE PAVERS: ENDICOTT DARK IRONSPOT (MANGANESE) BY MASONRY CENTER		
17	PLANTER		
18	GREENWALL PLANTER FOR BUILDING OR PARKING RAILING (see Architectural)		
19	EXISTING VEGETATION TO REMAIN, PRESERVE & PROTECT		
21	ELECTRICAL BOX		
22	STAIRS-RAILING (see Architectural)		

LANDSCAPE REQUIREMENTS:

(PER BOISE CITY CODE)

SCREENING & BUFFERING:

STREET & PROPERTY PERIMETER:

- STREETSCAPE TREES: 1 TREE 40LF (CLASS II OR III)
- *NO TREES WITHIN 10' OF SUBSURFACE STORM SEEPAGE BEDS
- *NO TREES OR SHRUBS OVER 36" WITHIN CLEAR VISION TRIANGLE INTERSECTIONS: 40'x40' ALONG CURBS
- DRIVEWAY-ALLEY: 10' FROM BACK OF SIDEWALK, 20' ALONG SIDEWALK
- **PRESERVE & PROTECT ALL EXISTING TREES WITHIN PROJECT BOUNDARY

PERIMETER:	LENGTH (LF)	TREES REQUIRED	TREES PROVIDED
NORTH	N/A	N/A	N/A
EAST	N/A	N/A	N/A
SOUTH	N/A	N/A	N/A
WEST	136	3	3

PARKING LOT LANDSCAPING:

PARKING LOT TREES: 1 TREE PER PARKING ISLAND AND /OR TERMINAL PLANTER TO ROW OF PARKING

PARKING LOT TREES REQUIRED: 5 **PROVIDED:** 5

PLANT SIZING MINIMUM REQUIREMENTS:

TREE SIZING:	MIN 2" CAL, B4B MIN
CANOPY TREES:	MIN 6" H MIN
CONIFER TREES:	
SHRUB SIZING:	26GAL POTS MIN
SHRUBS:	

LANDSCAPE NOTES:

- REGULATIONS & STANDARDS**
 - All contractor work shall be conducted in accordance with ISPMWC (Idaho Standard Public Works Construction), 2015; and City of Boise, ID codes, standards and state and local regulations.
- EXISTING CONDITIONS**
 - All utilities shall be located prior to construction and protected. Any damage to structures, utilities or concrete will be replaced at contractor's expense.
 - The site has many existing improvements such as underground utilities, curb and gutter, light poles and sidewalks.
 - See Engineer's plans for information about existing features.
- GRADING & SITE PREPARATION**
 - Prepare finish grades for planting by grubbing and removing weeds. If necessary apply Round-up (or equivalent herbicide) using a certified applicator. Remove rocks and other materials over 2".
 - All gravel overprep to be removed and disposed of off site.
 - Finish grade to be smooth transition to allow for entire site to be a natural flowing space.
 - Fine grade lawn areas to elevations set by Engineer's plans with positive drainage away from structures.
- RESTORATION AREAS**
 - If planters or lawn areas are disturbed the following notes apply:
 - All disturbed planter beds to receive a minimum of 18" depth of screened topsoil.
 - All disturbed lawn areas to receive a minimum depth of 12" screened topsoil. Spread, compact, and fine grade topsoil to a smooth and uniform grade 2" below adjacent surfaces of planter bed areas, 1 1/2" below adjacent surfaces of turf sod areas, and 1" below adjacent surfaces of seed areas.
- PLANTER BED MULCH**
 - All planter beds to receive 2" depth of medium grind bark mulch, submit for approval prior to placement.
- LAWN AREAS**
 - Keep all lawn areas 1' minimum off of fencing, building foundations, and additional structures. Install 1" border of 3/4" chips @ 4" depth between lawn and respective structures. Install over commercial grade weed barrier fabric.
 - Sodded lawn to be tall turf-type fescue.
 - Lay sod within 24 hrs of harvesting. Lay sod to form a solid mass with offset, tightly fitted joints on even grades.
- Strip, repair and replace dead sod as needed
- All lawn areas adjacent to planters to have cut.
- PLANTS**
 - All plant material shall be installed per industry standards.
 - All plant material shall meet or exceed the minimum federal standards as regulated by ANSI Z60.1 American Standard for Nursery Stock. Plants not meeting these standards for quality, or plants determined to be unhealthy by Owner's representative, will be rejected.
 - All Ball and Burlap trees to be installed per Balled and Burlapped planting detail 2/L 1.00.
 - All shrubs to be installed per detail 1/L 1.00.
 - Trees and shrubs over 36" shall not be planted within clear vision triangles per city code.
 - Fertilize all trees and shrubs with 'Agriform' planting tablets or approved equal. Apply per manufacturers recommendations.
- IRRIGATION (POC)**
 - Stub drip to all planter beds.
 - Provide appropriate emitters to each plant.
 - Turf spray (tbd)
- CONTRACTOR RESPONSIBILITIES**
 - Estimated quantities are shown for general reference only. Contractor shall be responsible for all quantity estimates. Refer to note 2.1 regarding damages to existing utilities & permitting note in Irrigation section.
 - All plant material and workmanship shall be guaranteed for a period of one year beginning at the date of Acceptance by Owner. Replace all dead or unhealthy plant material immediately with same type and size at no cost to Owner.
 - 2.2.1. Landscape contractor to turn in as built drawings at the end of project. Substantial completion will not be granted until 2 copies @ 1" x 20" scale are turned in and approved by owner's representative.
- In the event of a discrepancy, notify the Landscape Architect immediately.

LANDSCAPE ELEMENTS:

- PARK PAVERS: STONE PAYER M5G63 FLAMED, BROWN-RED FROM THE MASONRY CENTER WIDTH PER PLAN, 36" +/- AS NEEDED
- ALLEE-DRIVE PAVERS: CLAY PAYER ENDICOTT DARK IRONSPOT (OR MANGANESE)
- ARTIFICIAL TURF: PROGREEN: K9 DELUX 60
- PRESERVE EXISTING LAWN & TREES

TAO PRICE SANDERS KHEES RUBY
THE ARCHITECTS OFFICE
499 MAIN STREET (208) 343-2931
BOISE, IDAHO 83702 TAO@IDAHO.COM

BEE-SKID-MORE
1500 SW 11th Avenue
No 2004 Portland Oregon
97201
beeskidmore.com
(503) 722-6560

STACK ROCK GROUP

PROJECT
1401 IDAHO
1401 W. IDAHO STREET
BOISE, IDAHO 83702

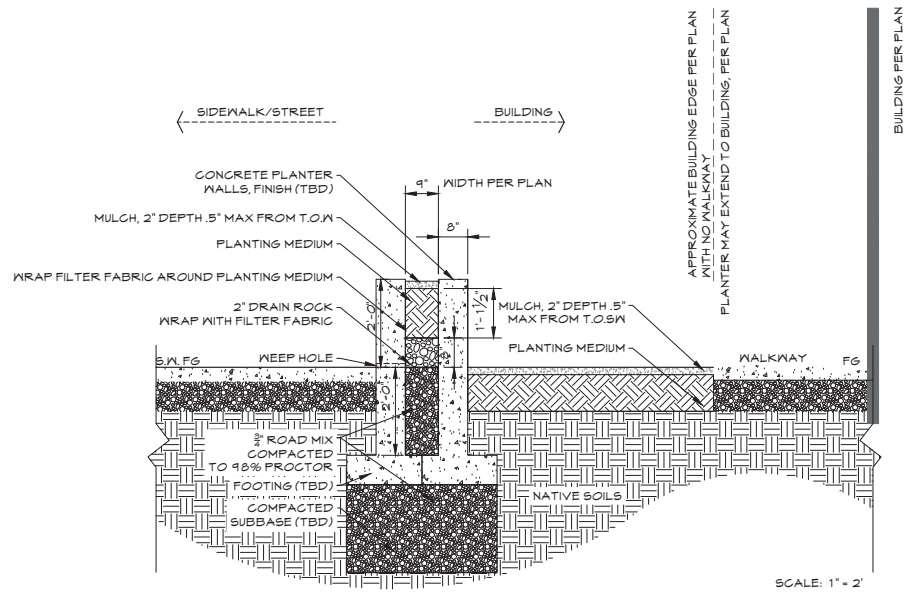
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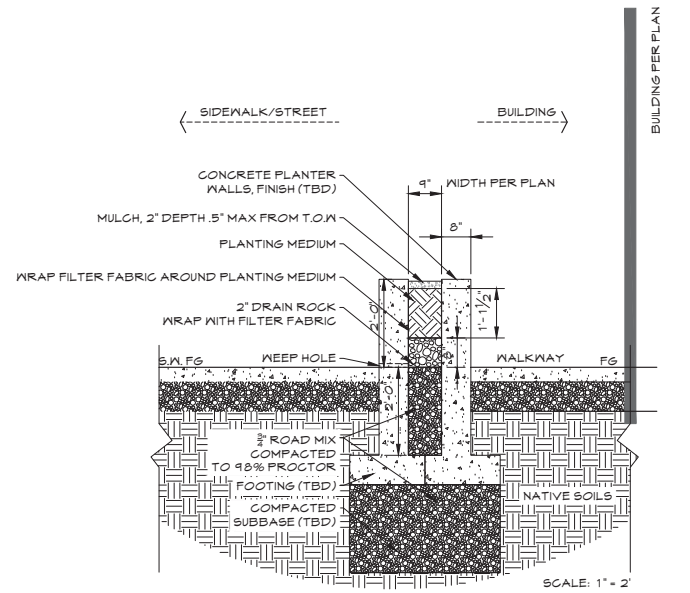
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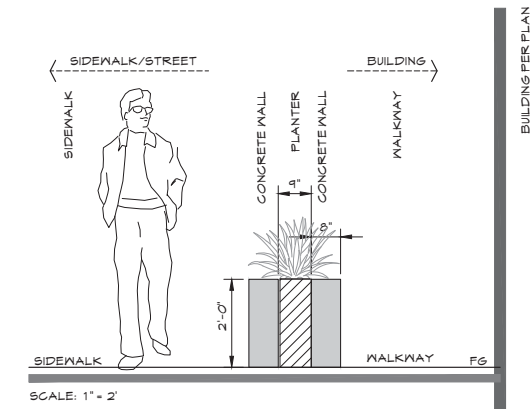
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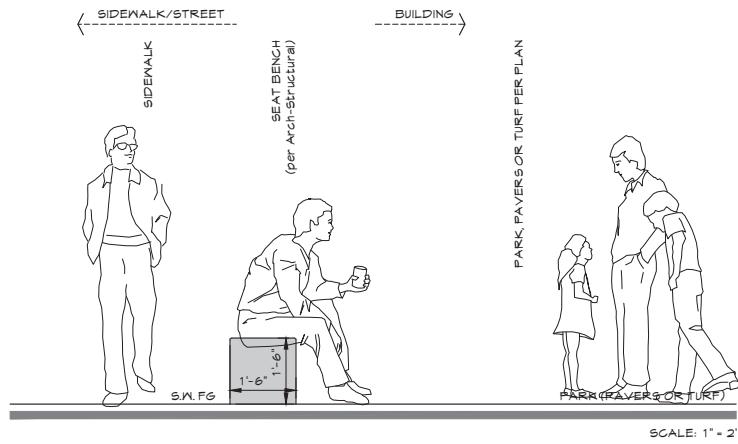
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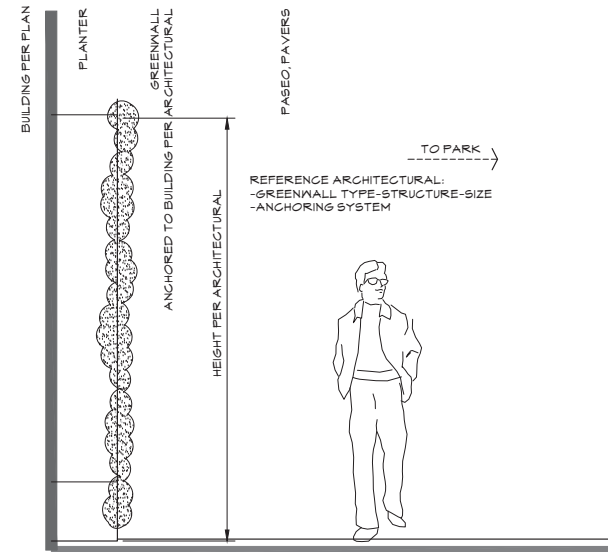
WALL-PLANTER SECTION: REFERENCE STRUCTURAL



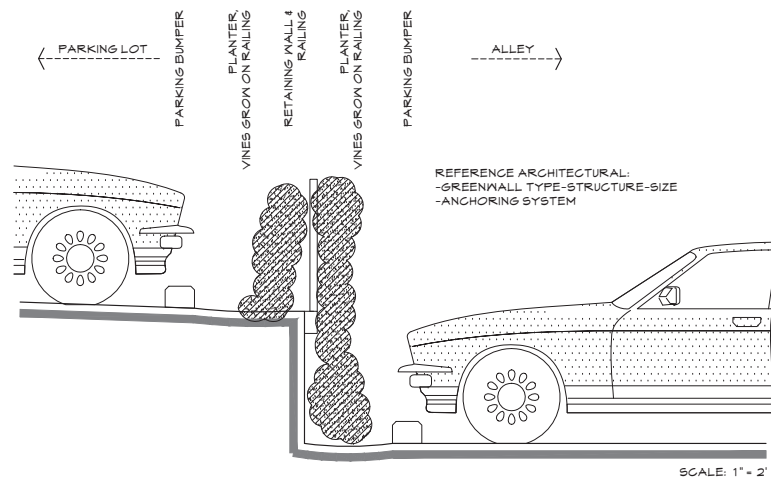
WALL-PLANTER SECTION: REFERENCE STRUCTURAL



PARK SEAT BENCH SECTION-REFERENCE ARCH-STRUC



GREENWALL SECTION-REFERENCE ARCH



PARKING LOT RETAINING WALL & PLANTER SECTION



STACK ROCK GROUP

PROJECT

1401 IDAHO

1401 W. IDAHO STREET
BOISE, IDAHO 83702

SEAL

**PRELIMINARY
NOT FOR
CONSTRUCTION**

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FILE

DATE: NOVEMBER 23, 2015

FILE NO: 15-621 A1.0

DESIGNER: DAVID RUBY, AIA

REVISIONS

SHEET

L1.1

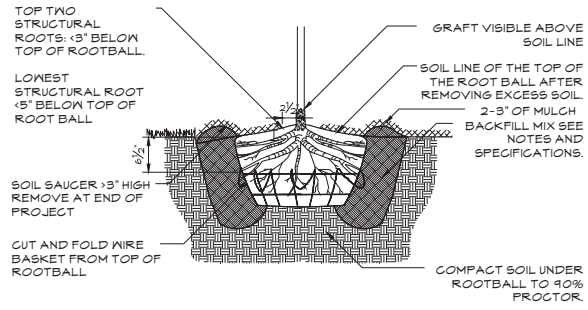
DETAIL-ILLUSTRATIONS



PROJECT
1401 IDAHO
1401 W. IDAHO STREET
BOISE, IDAHO 83702

NOTES:

- DO NOT DAMAGE OR CUT LEADER
- DO NOT DISTURB ROOT OR DAMAGE ROOT BALL WHEN INSTALLING TREE OR TREE STAKES.
- TREE STAKING SHALL BE AT THE DISCRETION OF CONTRACTOR, HOWEVER ANY TREES DISTURBED FROM PLUMB DURING THE PLANT WARRANTEE PERIOD WILL BE REPAIRED OR REPLACED AT CONTRACTOR'S EXPENSE.
- WATER PLANTS THOROUGHLY IMMEDIATELY AFTER INSTALLATION.
- REMOVE ALL BURLAP, TWINE, ROPE, OR MATERIAL FROM THE TOP 1/3 OF THE ROOTBALL.
- 5' DIAMETER PLANTER BED/MULCH RING AROUND THE TRUNK OF THE TREE. 3" OF MULCH MIN. DO NOT PLACE MULCH WITHIN 2" OF TRUNK OF TREE.



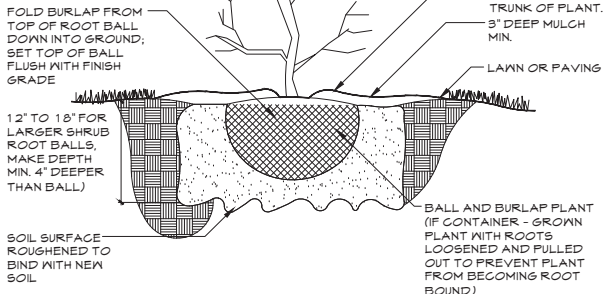
1 BALL AND BURLAP TREE PLANTING

3/4" = 1'-0"

32 9343.33-05

- NOTES:**
- REMOVE ALL TAGS, TWINE OR OTHER NON BIODEGRADABLE MATERIALS ATTACHED TO PLANT OR ROOT MASS.

PLANT PIT HOLE TO BE MIN 6" WIDER AND 6" DEEPER THAN NURSERY CONTAINER

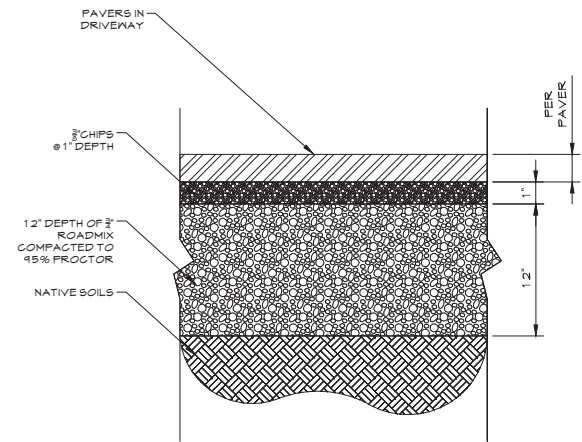


2 SHRUB PLANTING

1" = 1'-0"

32 9333.16-01

- NOTES:**
- COMPACT GRAVEL IN 4" LIFTS

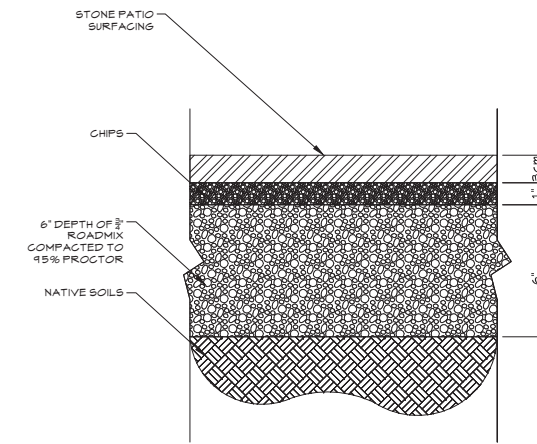


5 DRIVEWAY PAVES DETAIL

3" = 1'-0"

32 1413-10

- NOTES:**
- COMPACT GRAVEL IN 3" LIFTS

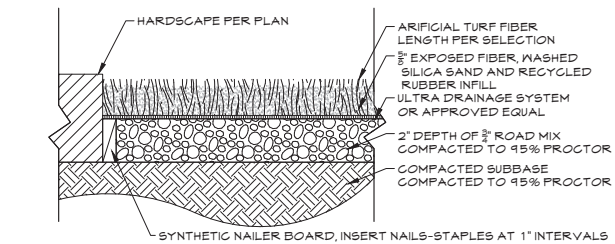


3 STONE PAVER

3" = 1'-0"

32 1101-01

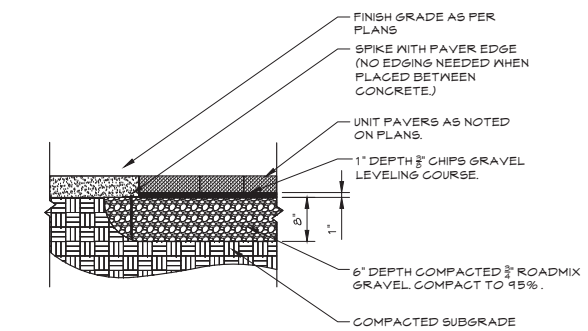
- NOTES:**
- DRAINAGE RATE: 250 INCHES PER HOUR
 - ADA COMPLIANT SYNTHETIC GRASS ACCESSIBLE SURFACE
 - INSTALLATION PER MANUFACTURER'S RECOMMENDATIONS
 - CONTRACTOR TO REVIEW COMPANY'S PRODUCT INFO AND DETERMINE BEST IMPLEMENTATION PRACTICE



6 ARTIFICIAL TURF

3" = 1'-0"

32 02-01



4 UNIT PAVER WITH PAVER EDGE

3/4" = 1'-0"

32 1413-07

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FILE

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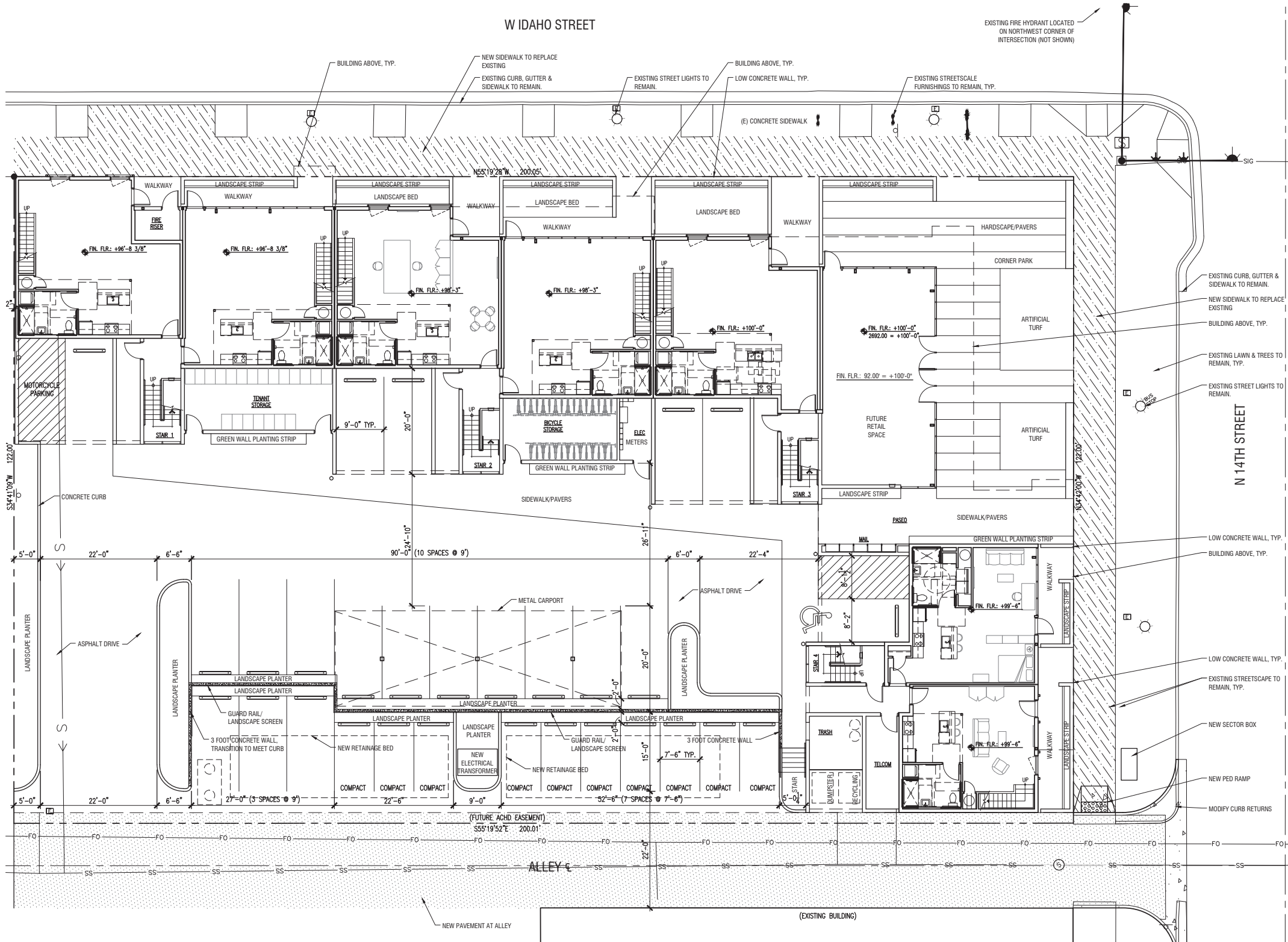
FILE NO: 15-621 A1.0

DESIGN: DAVID RUBY, AIA

REVISIONS

SHEET

L1.3
DETAILS



1 SITE PLAN
 SCALE: 1" = 10'-0"



PROJECT SUMMARY

LOT AREA:.....±24,408 S.F. (.56 ACRES)	FRONT YARD SETBACK:.....0 FT.	TOTAL UNITS:.....37	PROPOSED PARKING:
ZONING (CURRENT/PROPOSED):.....C1-DD/C-SDD	STREET SIDE YARD SETBACK:.....0 FT.	LIVE/WORK:.....7 (19%)	TOTAL PARKING STALLS REQUIRED/PROVIDED:.....44/29
PARCEL No.:.....R1013007656	SIDE YARD SETBACK:.....0 FT.	1 BDRM 1 BATH:.....6 (16%)	TOTAL ACCESSIBLE STALLS REQ'D/PROVIDED:.....1/1
TOWNSHIP/RANGE/SECTION:.....T3NE10	REAR YARD SETBACK:.....0 FT.	2 BDRM 1 BATH:.....14 (38%)	TOTAL COMPACT STALLS:.....12
PARCEL No.:.....R1013007651	MAXIMUM BUILDING HEIGHT:.....NONE	2 BDRM 2 BATH:.....8 (22%)	TOTAL COVERED STALLS REQ'D/PROVIDED:.....0/6
TOWNSHIP/RANGE/SECTION:.....T3NE10	ACTUAL BUILDING HEIGHT:.....45 FT.	3 BDRM 2 BATH:.....2 (5%)	BICYCLE PARKING REQUIRED/PROVIDED:.....37/37
	TOTAL BUILDINGS:.....1		

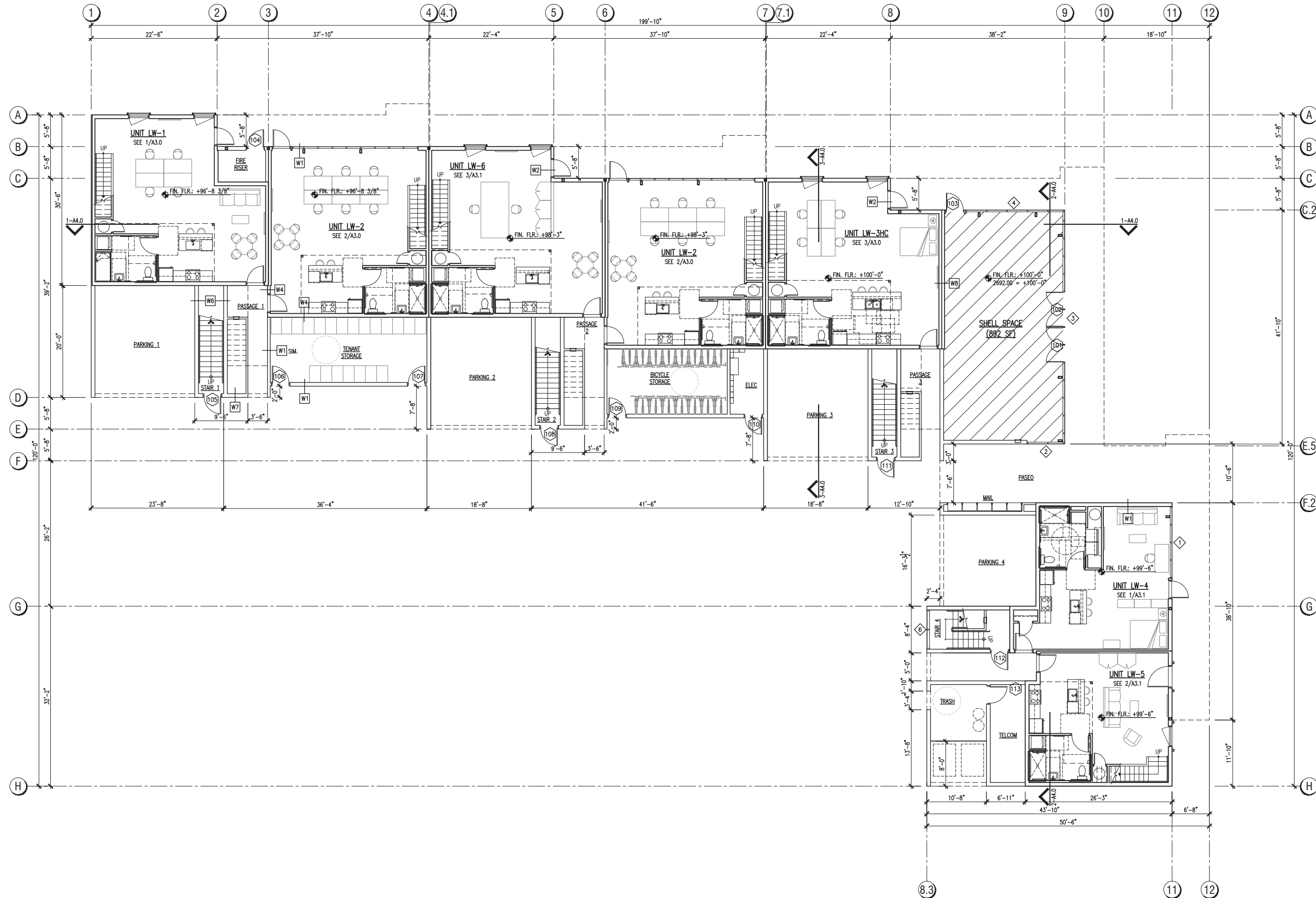
PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702



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 DESIGNER: DAVID RUBY, AIA

REVISIONS



FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"

PROJECT
1401 IDAHO
1401 W. IDAHO STREET
BOISE, IDAHO 83702

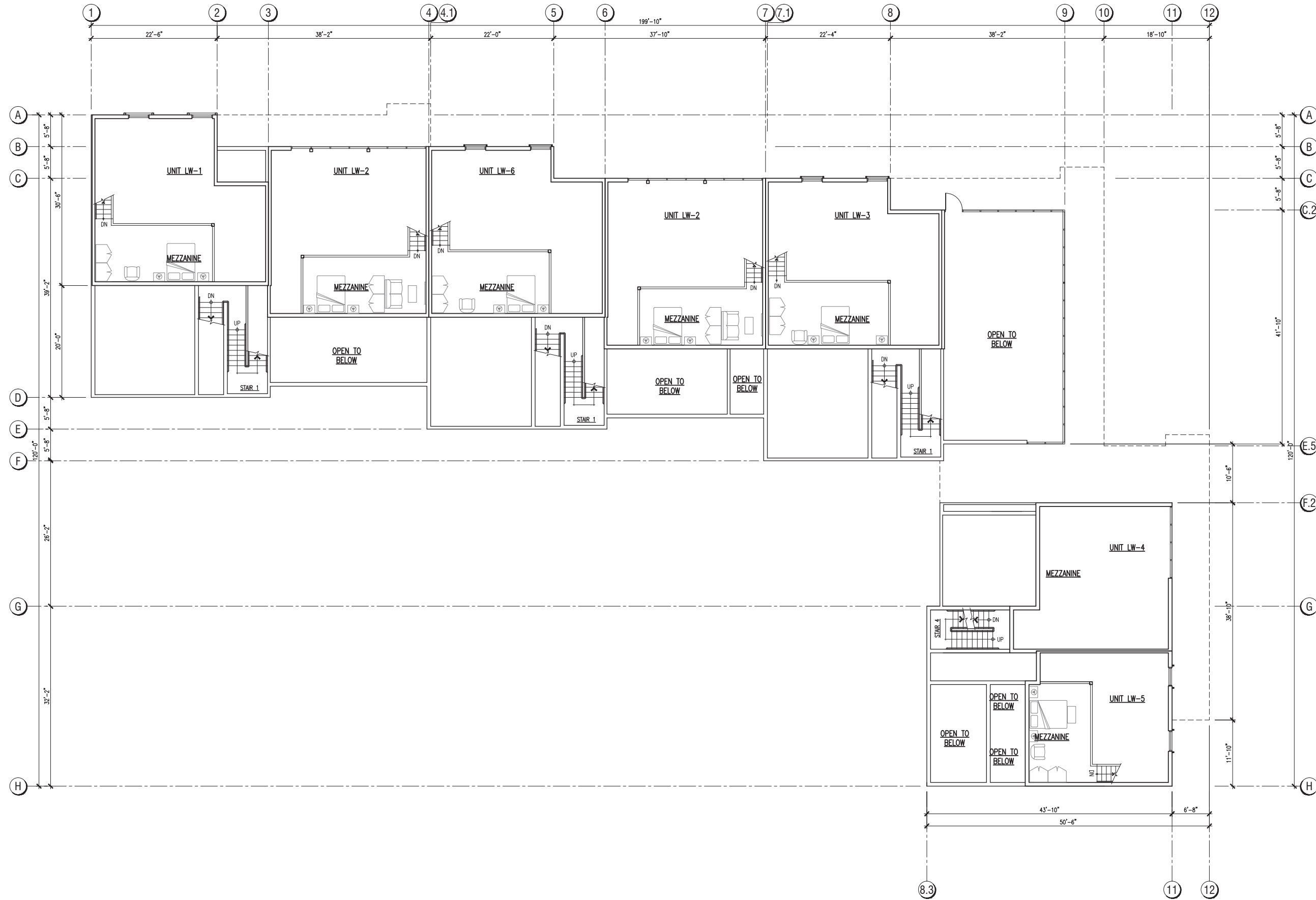


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FILE
DATE: NOVEMBER 23, 2015
FILE NO.: 15-621 A2.0
DRAWN: DAVID RUBY, AIA

REVISIONS

SHEET
A2.0
FIRST FLOOR PLAN



MEZZANINE FLOOR PLAN
SCALE: 1/8" = 1'-0"

PROJECT
1401 IDAHO
1401 W. IDAHO STREET
BOISE, IDAHO 83702

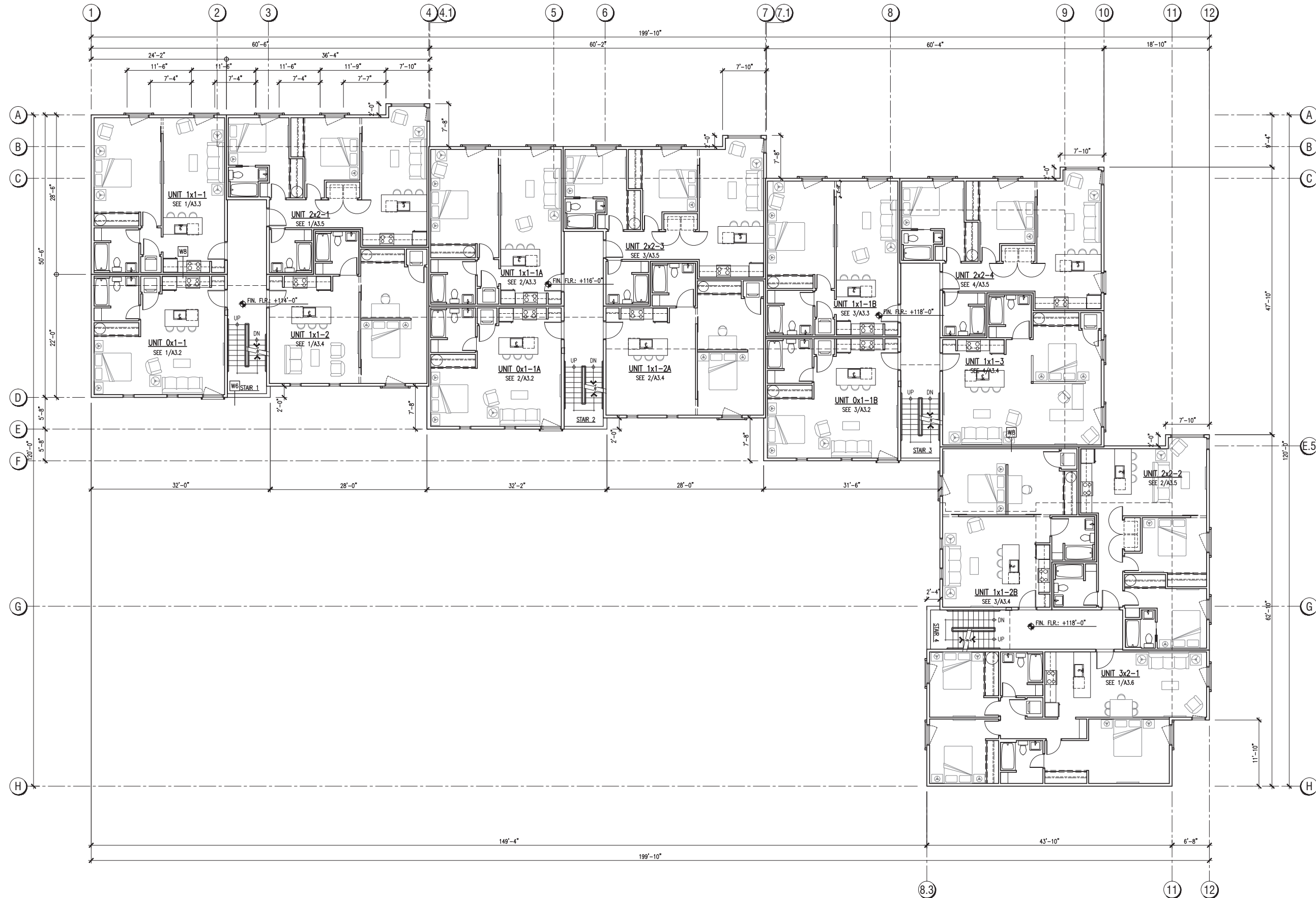


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FILE
DATE
NOVEMBER 23, 2015
FILE NO.
15-621 A2.0
DRAWN
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REVISIONS

SHEET
A2.1
MEZZANINE FLOOR PLAN



SECOND FLOOR PLAN

SCALE: 1/8" = 1'-0"

PROJECT
1401 IDAHO
1401 W. IDAHO STREET
BOISE, IDAHO 83702

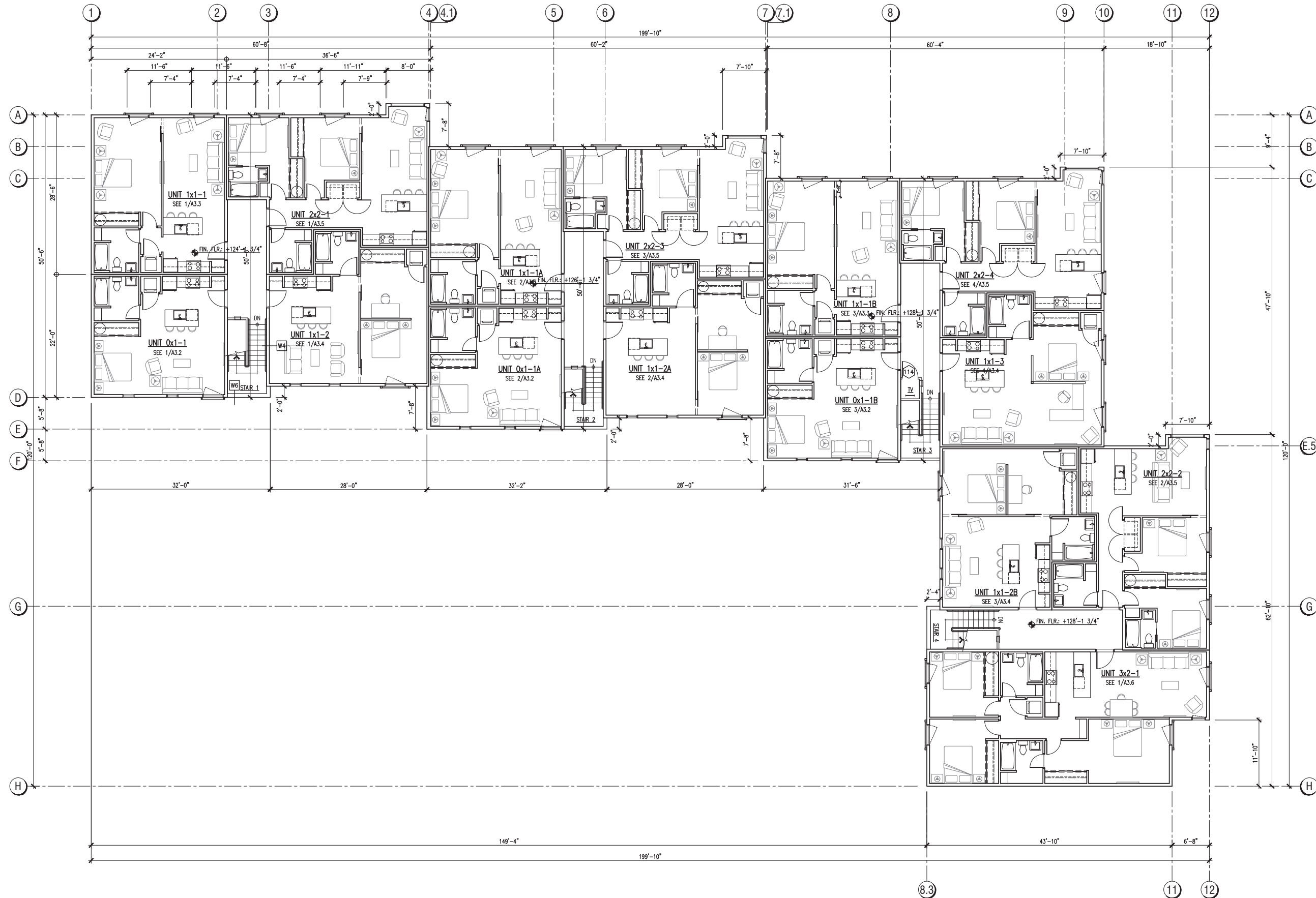


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SHEET
A2.2
SECOND FLOOR PLAN



THIRD FLOOR PLAN

SCALE: 1/8" = 1'-0"

PROJECT
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1401 W. IDAHO STREET
BOISE, IDAHO 83702



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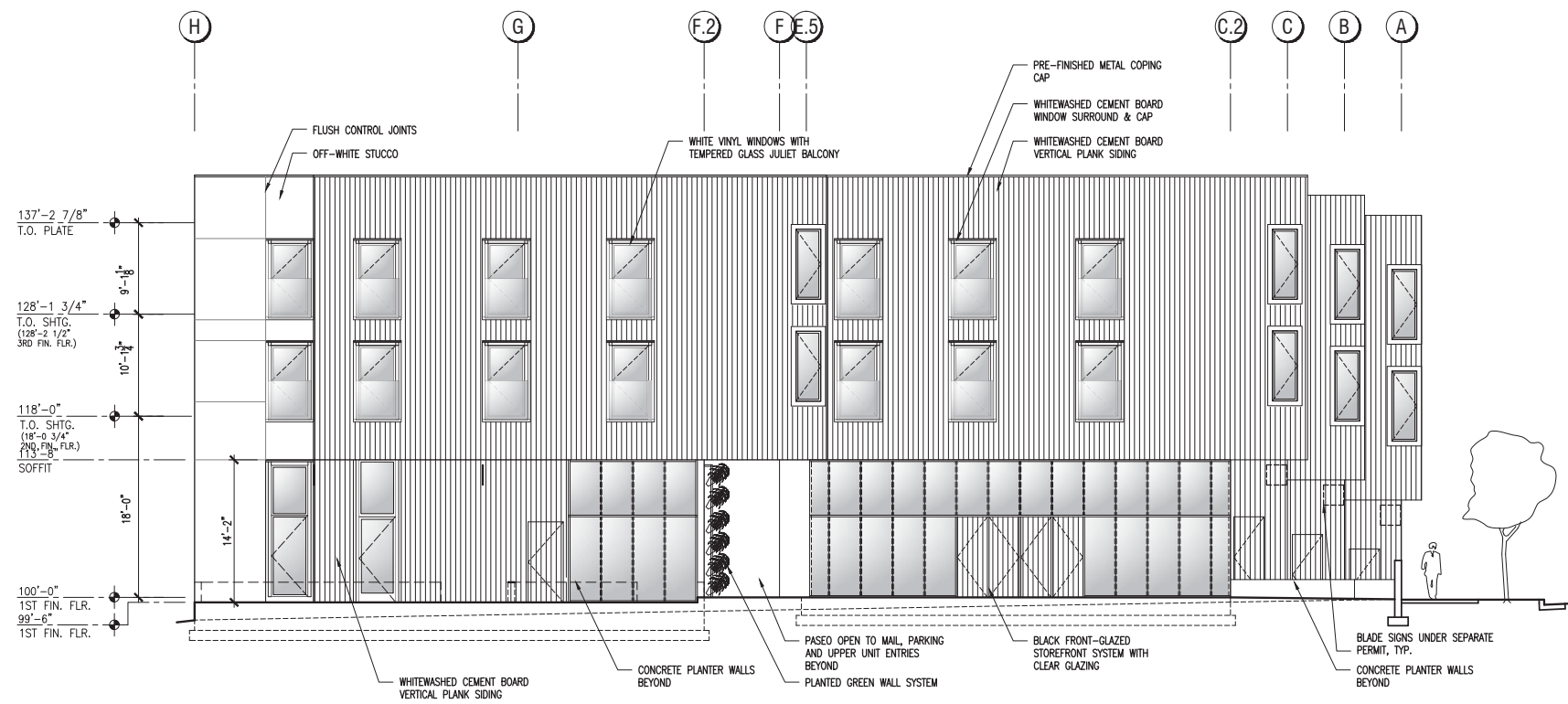
REVISIONS

SHEET

A2.3
THIRD FLOOR
PLAN

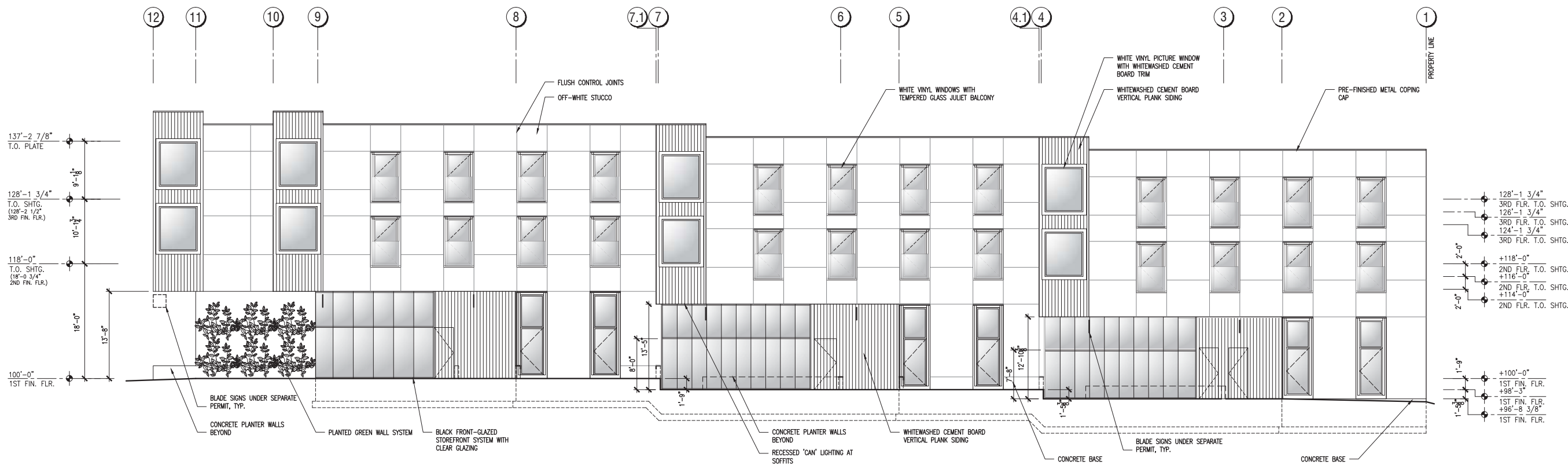
EXTERIOR FINISH SCHEDULE

ITEM	MANUFACTURER / COLOR
ROOF MEMBRANE	MANUFACTURER: FIRESTONE COLOR: WHITE
PREFINISHED METAL FASCIA	COLOR: OFF WHITE
STUCCO SYSTEM	MANUFACTURER: STO COLOR: OFF WHITE
STAINED FIBER CEMENT SIDING & TRIMS	MANUFACTURER: JAMES HARDI COLOR: WHITE WASH
STAINED IPE SIDING & TRIMS (OPTION)	COLOR: WHITE WASH
STOREFRONT FRAMES	MANUFACTURER: US ALUMINUM COLOR: DARK BRONZE (BLACK)
VINYL WINDOW FRAMES	MANUFACTURER: MARVIN COLOR: WHITE
WINDOW GLAZING	COLOR: CLEAR INSULATED, LOW-E
EXPOSED METAL FLASHING	FACTORY PRE-FINISHED COLOR: OFF WHITE
METAL RAILINGS/GUARD	POWDER COAT OR PAINT COLOR: BLACK



1 EAST EXTERIOR ELEVATION

SCALE: 1/8" = 1'-0"



2 NORTH EXTERIOR ELEVATION

SCALE: 1/8" = 1'-0"

KEYNOTES

1. ARCHITECTURAL LAMINATED FIBERGLASS ROOF SHINGLES.
2. FIBER CEMENT SIDING, VERTICAL, 6" EXPOSURE. STAIN.
3. FINISH GRADE, SLOPE AWAY FROM BUILDING AT 2% MIN. SEE GRADING PLAN BY OTHERS.
4. DOUBLE GLAZED, ALUMINUM 'STOREFRONT' WINDOW.
5. PRE-FINISHED METAL PARAPET CAP.
6. PORTLAND CEMENT STUCCO SYSTEM.
7. STUCCO JOINT, TYPICAL. RE: 8/A10.2.
8. DOOR, WINDOW, AND CORNER TRIM: PAINTED FIBER CEMENT TRIM 5/4"x3 1/2".
9. ALUMINUM STOREFRONT ENTRY SYSTEM.
10. MAIL BOXES. RE:
11. LIGHT FIXTURE, SEE ELECTRICAL.
12. GREEN WALL SYSTEM.
13. GLASS RAILING SYSTEM.
14. METAL RAILING/GUARD.

GENERAL NOTES

- A. ALL NOTES ON ELEVATIONS ARE TYPICAL AND APPLY TO ALL ELEVATIONS, INCLUDING CONCEALED AREAS NOT SHOWN IN TYPICAL ELEVATION VIEWS.
- B. REFER TO CONSTRUCTION TYPE DETAILS (SHEETS A10.0 AND A10.1) AND SPECIFICATIONS FOR ADDITIONAL EXTERIOR FINISH MATERIAL NOTES.
- C. ALL VISIBLE EXTERIOR FLASHINGS TO BE PRE-FINISHED METAL (MATCH ADJACENT COLOR) U.O.M. ALL CONCEALED METAL FLASHING TO BE GALVANIZED METAL. ALL EXPOSED CAULKING NOT PAINTED TO MATCH ADJACENT MATERIAL FINISH COLOR.
- D. SUB-CONTRACTORS TO PROVIDE MOCK-UP OF ALL FINISH MATERIALS FOR OWNER'S REVIEW AND ACCEPTANCE PRIOR TO CONSTRUCTION.
- E. VERIFY ALL FINISH MATERIAL SELECTION AND COLORS WITH OWNER PRIOR TO ORDERING AND INSTALLATION.
- F. HARDBOARD SIDING AND TRIMS TO BE FIBER CEMENT SIDING. ALL SIDING AND TRIMS TO BE CAULKED, PRIMED (OR PRE-PRIMED) AND PAINTED.
- G. ALL FINISH MATERIALS TO BE INSTALLED PER MANUFACTURER SPECIFICATIONS, 2012 IBC REQUIREMENTS AND PER GENERALLY ACCEPTED CONSTRUCTION PRACTICES.

PROJECT

1401 IDAHO

1401 W. IDAHO STREET
BOISE, IDAHO 83702

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DRAWN
DAVID RUBY, AIA

REVISIONS

SHEET

A5.0

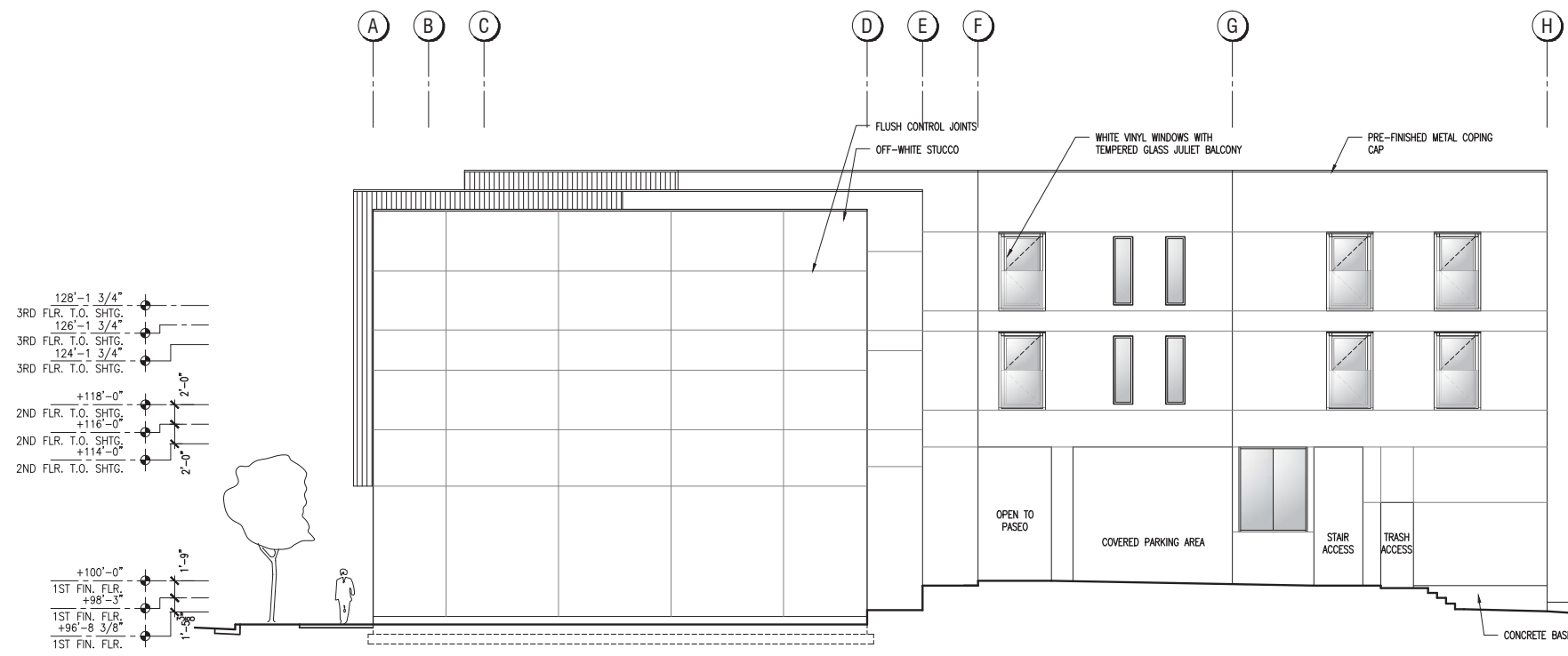
EXTERIOR ELEVATIONS

KEYNOTES #

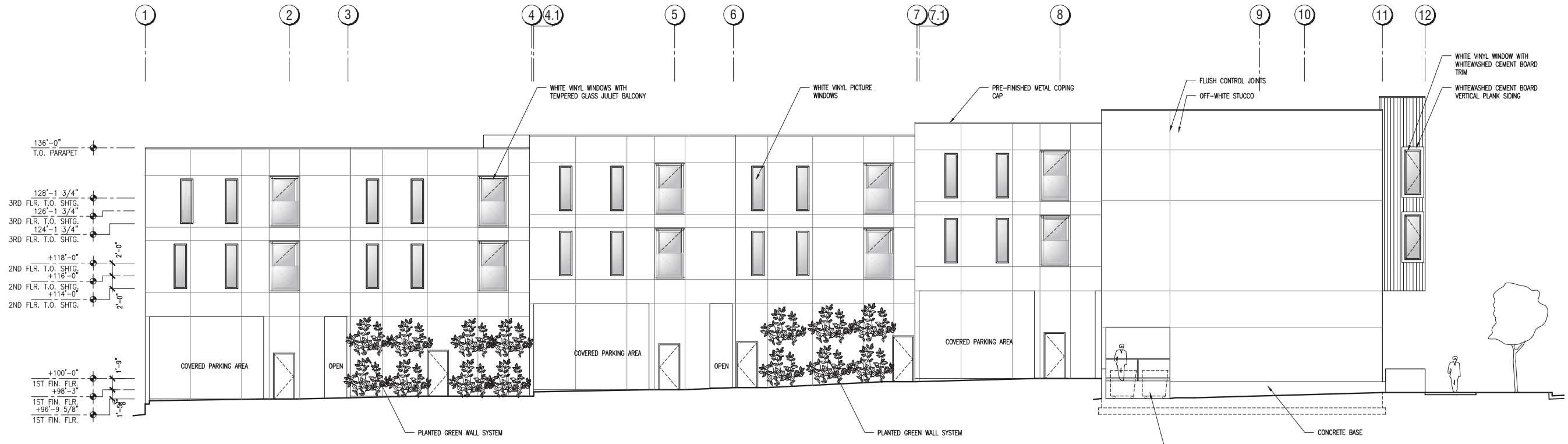
1. ARCHITECTURAL LAMINATED FIBERGLASS ROOF SHINGLES.
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10. MAIL BOXES. RE:
11. LIGHT FIXTURE, SEE ELECTRICAL.
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13. GLASS RAILING SYSTEM.
14. METAL RAILING/GUARD.

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- F. HARDBOARD SIDING AND TRIMS TO BE FIBER CEMENT SIDING. ALL SIDING AND TRIMS TO BE CAULKED, PRIMED (OR PRE-PRIMED) AND PAINTED.
- G. ALL FINISH MATERIALS TO BE INSTALLED PER MANUFACTURER SPECIFICATIONS, 2012 IBC REQUIREMENTS AND PER GENERALLY ACCEPTED CONSTRUCTION PRACTICES.



1 WEST EXTERIOR ELEVATION
 SCALE: 1/8" = 1'-0"



2 SOUTH EXTERIOR ELEVATION
 SCALE: 1/8" = 1'-0"

PROJECT
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 DRAWN BY: DAVID RUBY, AIA

REVISIONS



CORNER VIEW
14th AND IDAHO

**BEE-
BEE-
MORE
SKID-**

1401 Idaho Apartments
1401 Idaho
Boise Idaho 83702

1003.222.6880
beesidmore.com

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requirements of the contract.
The architect shall not be
responsible for construction
administration, construction
management, or construction
administration, and construction
administration is the responsibility of
the contractor.

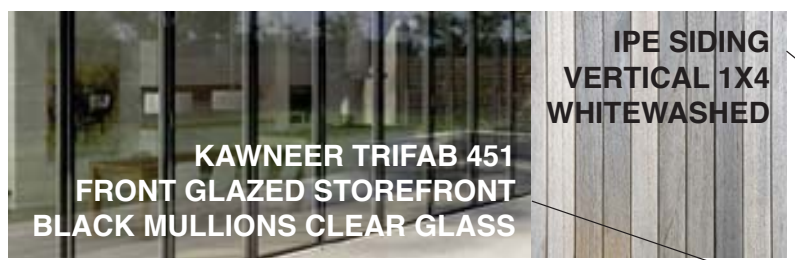
1401 Idaho Apartments
1401 Idaho
Boise Idaho 83702

Issued:
AUG 24 2015
Revisions:



UPPER FLOOR FENESTRATION

OR CEMENT BOARD SIDING
**OR IPE SIDING
 VERTICAL 1X4 WHITEWASHED
 CONCEALED FASTENERS**



**KAWNEER TRIFAB 451
 FRONT GLAZED STOREFRONT
 BLACK MULLIONS CLEAR GLASS**



**OR IPE SIDING
 VERTICAL 1X4
 WHITEWASHED**



**CEMENTITIOUS STUCCO
 OFF-WHITE SANDPAPER FINISH**



**HAIRLINE
 CONTROL
 JOINTS**



**LIRIOPE
 GREEN WALL
 HYDRANGEA**



**WELDED WIRE
 GREEN WALL
 SUPPORT**



**POWDERCOAT
 STEEL
 SIGNAGE**

STREET LEVEL MATERIALS AND STOREFRONT



**RECESSED TRIM AT SOFFIT
 FOR AMBIENT LIGHT**



**SHIELDED
 CYLINDER
 AT ENTRANCES**



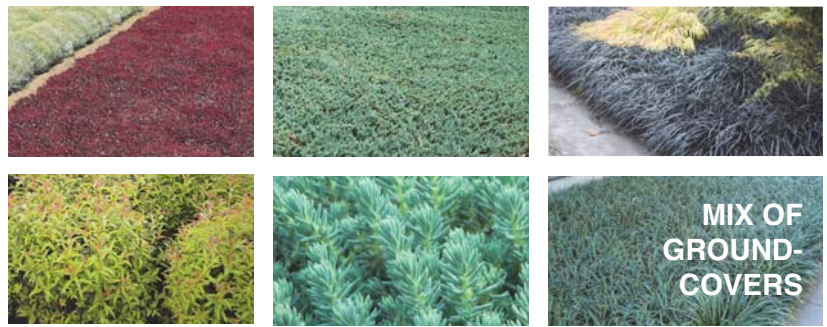
**RECESSED SLOT
 AT LOW WALLS**

LIGHTING



**CAST-IN-PLACE CONCRETE PLANTERS
 INTEGRAL COLOR
 4" ROUGH BOARD FORMWORK**

TYPICAL WALL SURFACES



**MIX OF
 GROUND-
 COVERS**



**PORCELAIN
 PAVERS**



**TURF/
 TURFSTONE**



**LINEAR PLANTING
 LOW GRASS HEDGE**

PARK SURFACE AND LANDSCAPE ELEMENTS

**1401 IDAHO
 EXTERIOR MATERIALS**



CONTEXT LOOKING WEST ON IDAHO STREET



PRELIMINARY STUDY - LOOKING SOUTH ON 14TH



PRELIMINARY STUDY - LOOKING WEST ON IDAHO STREET



CORNER VIEW

**SEE-
BE-
MORE-
SKID-**

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1401 Idaho Apartments
1401 Idaho
Boise Idaho 83702

Issued:

Revisions:

Attachment 6

Title Report



TitleOne Corporation

TitleOne
a title & escrow co.

SCHEDULE A

**Revision: November 23, 2015
Changes Highlighted in Yellow.**

1. **Effective Date: November 13, 2015 at 07:30 AM**

2. **Policy or Policies to be issued:**

Preliminary Research Report

Report Amount: \$200.00

For the Benefit of:

Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation, an independent public body politic and corporate constituting a public instrumentality of the State of Idaho

3. **The estate or interest in the land described or referred to in this Report and covered herein is:**

Fee Simple

4. **Title to the estate or interest in said land is at the effective date hereof vested in:**

Urban Renewal Agency of Boise City, Idaho, aka Capital City Development Corporation, an independent public body politic and corporate constituting a public instrumentality of the State of Idaho

5. **The land referred to in this Report is described as follows:**

See Attached Schedule C

DISCLAIMER

The information provided in this report is for informational purposes only. This report contains information about real property and interests in real property. This report is based on a search of our tract indexes of the county records. This is not a title or ownership report and no examination of the title to the property described has been made. For this reason, no liability beyond the amount paid for this report is assumed hereunder and the company is not responsible beyond the amount paid for any errors and omissions contained herein. This report in no way creates any obligation by TitleOne Corporation or its underwriters to insure any party now or in the future. Any insurance will be separate from this report and subject to usual and customary underwriting standards.

SCHEDULE B-I
Requirements

The following are to be complied with:

1. TitleOne Corporation reserves the right to add additional requirements and/or exceptions upon receipt of the details of the forthcoming transaction.

2. NOTE: According to the available records, the purported address of said land is:

1413 W Idaho Street
Boise, Idaho 83702
(As to Parcel A)

1401 W Idaho Street
Boise, Idaho 83702
(As to Parcel B)

3. NOTE: Additional Underlying Documents.

[To view the MAP\(s\) click here.](#)

[To view the VESTING DEED\(s\) click here.](#)

SCHEDULE B-II
Exceptions From Coverage

Note: This is a Preliminary Research Report and not a title insurance policy. If it were a policy, it would have the following Exceptions unless they are taken care of to our satisfaction. If the Company's requirements are satisfied, Exceptions 1 through 6 would be removed on Enhanced/Extended coverage policies.

Exceptions:

1. Rights or claims of parties in possession not shown by the public records.
2. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land, and that is not shown by the Public Records.
3. Easements, or claims of easements, not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims to title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Taxes or special assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices to such proceedings whether or not shown by the records of such agency, or by the public records.
7. Taxes, including any assessments collected therewith, for the year 2015 which are a lien not yet due and payable.

Parcel Number: R1013007651
(As to Parcel A)

Parcel Number: R1013007656
(As to Parcel B)

[NOTE: To view said Taxes click here.](#)

8. The land described herein is located within the boundaries of Boise City (208-384-3735) and is subject to any assessments levied thereby.

9. Easements, reservations, restrictions, and dedications as shown on the official plat of Boise City Original Townsite recorded November 24, 1867 in Book 1 of Plats at Page 1, records of Ada County, Idaho.

[NOTE: To view said document\(s\) click here.](#)

10. Terms and provisions contained in an Ordinance No. 6108.
Recorded: December 12, 2001
Instrument No.: 101131220, records of Ada County, Idaho.

[NOTE: To view said document\(s\) click here.](#)

(End of Exceptions)

SCHEDULE C

Legal Description:

Parcel A:

Lot 9 and the West 16 feet of Lot 10 in Block 114 of Boise City Original Townsite, according to the official plat thereof, filed in Book 1 of Plats at Page 1, official records of Ada County, Idaho.

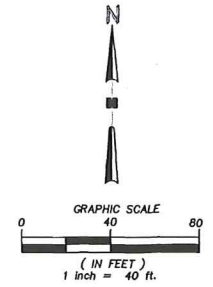
Parcel B:

Lots 11 and 12 and the East 34 feet of Lot 10 in Block 114 of Boise City Original Townsite, according to the official plat thereof, filed in Book 1 of Plats at Page 1, official records of Ada County, Idaho.

RECORD OF SURVEY
PREPARED FOR CAPITOL CITY DEVELOPMENT CORPORATION
LOTS 9-12, BLOCK 114, BOISE CITY ORIGINAL TOWNSITE
LOCATED IN THE SW 1/4 OF SECTION 3, T3N, R2E., B.M.
BOISE CITY, ADA COUNTY, IDAHO
2011

CERTIFICATE OF COUNTY RECORDER

STATE OF IDAHO, COUNTY OF ADA, SS
 THIS IS TO CERTIFY THAT THIS RECORD OF SURVEY WAS FILED FOR RECORD
 IN THE OFFICE OF THE RECORDER OF ADA COUNTY, IDAHO, THIS 30 DAY OF
Aug, 2011, AT 4:33 P.M. AT THE REQUEST OF QUADRANT CONSULTING.
 AND DULY RECORDED AS INSTRUMENT NO. 11106387
 J. DAVID NAVARRO, ADA COUNTY RECORDER
 BY DEPUTY [Signature] Christopher D. Rich
 FEE \$9.00



LEGEND

- ⊙ FOUND BRASS CAP
- ⊙ FOUND 5/8" REBAR
- ⊙ FOUND LEAD PLUG & TACK
- ⊙ SET 5/8" REBAR & CAP
- ⊙ SET 1/2" REBAR & CAP
- ⊙ SET MAG NAIL
- R.M. REFERENCE MARKER
- CALCULATED POINT
- PARCEL LINE
- - - STREET CENTERLINE

RECORD DATA

- BOISE CITY ORIGINAL TOWNSITE (BK. 1 PG. 1)
 WARRANTY DEED INSTRUMENT #104059080
 GRANT DEED INSTRUMENT #105040646
 RECORD OF SURVEY #582
 RECORD OF SURVEY #1830
 RECORD OF SURVEY #2948
 RECORD OF SURVEY #3571
 RECORD OF SURVEY #4372
 RECORD OF SURVEY #6322
 RECORD OF SURVEY #6510
 RECORD OF SURVEY #7026
 RECORD OF SURVEY #8811

CERTIFICATE OF SURVEYOR

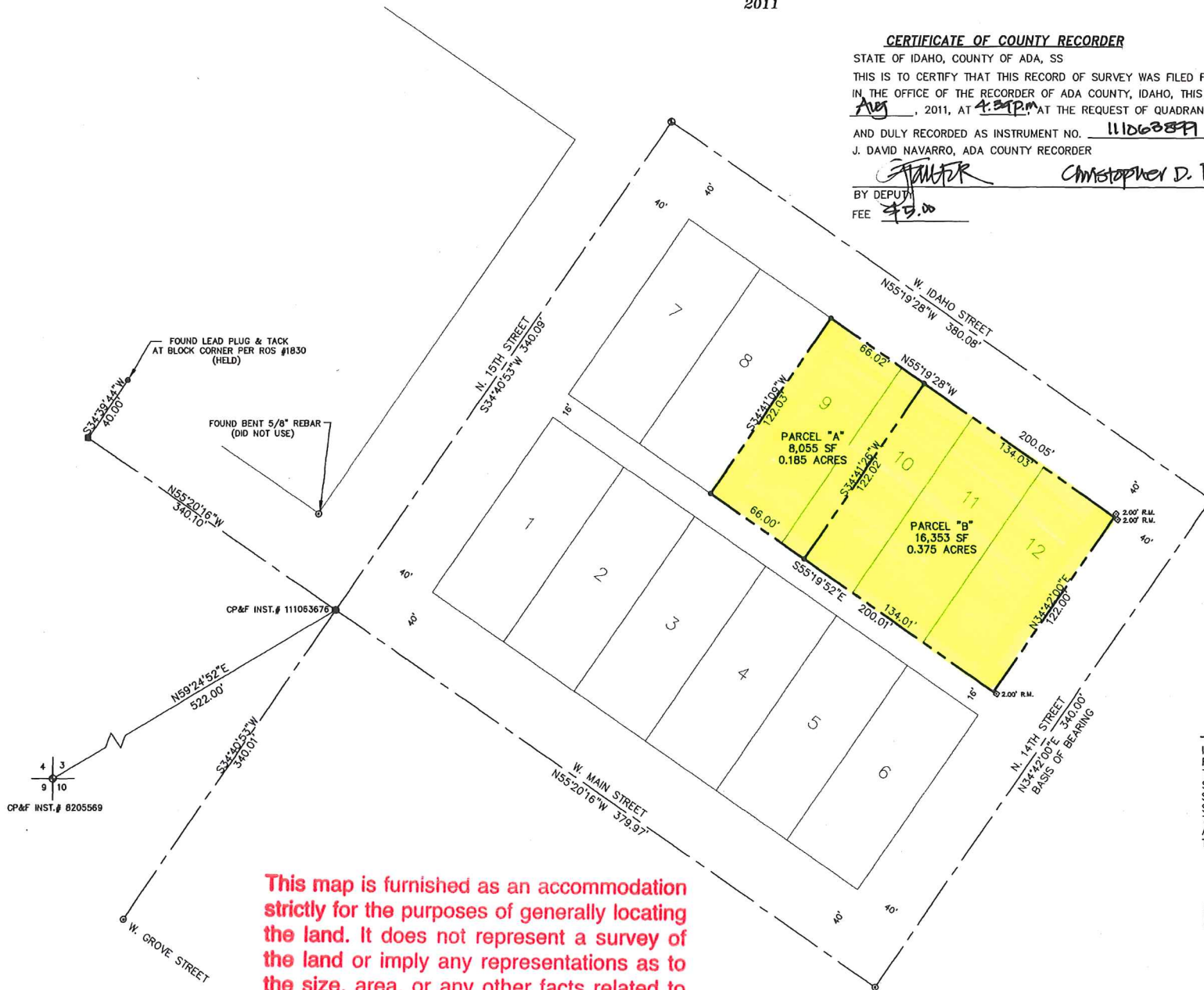
I, PETER W. LOUNSBURY DO HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR, LICENSED BY THE STATE OF IDAHO. THIS MAP REPRESENTS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION AND IS AN ACCURATE REPRESENTATION OF SAID SURVEY AND COMPLIES WITH THE REQUIREMENTS OF TITLE 55, CHAPTER 16, CORNER PERPETUATION AND FILING, AND TITLE 55 CHAPTER 19, RECORDING OF SURVEYS, OF THE IDAHO STATE CODE.

PETER W. LOUNSBURY
 IDAHO R.L.S. 7876



Quadrant Consulting, Inc.
 1904 WEST OVERLAND
 Boise, Idaho 83705
 (208) 342-0091 PHONE (208) 342-0092 FAX
 CIVIL ENGINEERING-SURVEYING

This map is furnished as an accommodation strictly for the purposes of generally locating the land. It does not represent a survey of the land or imply any representations as to the size, area, or any other facts related to the land shown hereon.



CP&F INST.# 8205569

CP&F INST.# 111063676

FOUND LEAD PLUG & TACK AT BLOCK CORNER PER ROS #1830 (HELD)

FOUND BENT 5/8" REBAR (DID NOT USE)



SURVEY RECORDING SHEET

SURVEY NO. 9014

INSTRUMENT NO. : 111063899

NAME OF SURVEY : Capitol City Development Survey

SURVEYOR : Peter W Lounsbury

AT THE REQUEST OF : Quadrant Consulting

COMMENTS : SW ¼ Sec 3 T3N R2E

Attachment 7

Reuse Appraisal



Valbridge
PROPERTY ADVISORS

Appraisal Report

Watercooler Apartments (Proposed)
Re-Use Appraisal
1401 & 1413 W. Idaho Street
Boise, Idaho 83702

October 13, 2015



FOR:

John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

**Valbridge Property Advisors |
Mountain States Appraisal & Consulting, Inc.**
1459 Tyrell Ln., Suite B
Boise, ID 83706
208-336-1097 phone
208-345-1175 fax
valbridge.com

Valbridge Job No: ID02-15-0196-000



Joe Corlett, MAI, SRA
Moe Therrien, MAI
Kevin Ritter, CGA
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valbridge.com

October 13, 2015

John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

RE: Appraisal Report
Watercooler Apartments (Proposed)
Re-Use Appraisal
1401 & 1413 W. Idaho Street
Boise, Idaho 83702
Valbridge Job #ID02-15-0196-000

Mr. Brunelle:

In accordance with your request, we have prepared an appraisal of the above-referenced real property. The subject of this appraisal is a proposed 32,250 square foot apartment project to be situated on a 0.56-acre site. The project will contain 30 residential apartment units, 7 live/work units, and 1 commercial unit. The site is currently improved with an older 8,950 square foot office building and related parking improvements which will be razed upon development.

The property was appraised using generally accepted principles and theory. We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); the Interagency Appraisal and Evaluation Guidelines; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; and the requirements of our client as we understand them. The appraisal report complies with the requirements set forth under Standards Rule 2-2(a) of USPAP. It presents a narrative discussion, in condensed format, of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

The purpose of this appraisal is to provide an opinion of Fair Re-Use Value: Upon Completion for the subject as proposed, including site acquisition at a predetermined price at the start of development. The appraisal assumes the site acquisition cost is reimbursed to the developer upon completion of the project. Capital City Development Corporation (CCDC) is the client in this assignment. The intended use is to provide a basis for negotiating a sale of the site subject to a specific development proposal. The intended users of this report include the client and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are contingent on the following extraordinary assumptions and/or hypothetical conditions:

Extraordinary Assumptions:

- 1) The subject is proposed. The appraisal and its conclusions relied upon preliminary building plans, projected construction costs, and specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein. Construction is projected to be complete by January 1, 2017, which is the prospective date of value representing Fair Re-Use Value: Upon Completion.
- 2) The subject is currently zoned C-2DD (General Commercial District). Under current zoning, the proposed use would require conditional use approval by the City of Boise Commission. Further, the subject is proposed to be developed with 29 parking spaces, which is fewer than required by zoning. According to the developer, the subject site is currently in the process of being rezoned to C-5DD (Central Business District), which would allow the proposed use. As a part of the rezone, the subject will be granted a parking variance approving the proposed parking. This appraisal is subject to the extraordinary assumption that the site will be rezoned C-5DD and the parking variance will be granted.

If any of these extraordinary assumptions are later proven to be false, the value conclusion(s) reported herein could be rendered invalid, and further valuation analysis would be warranted.

Hypothetical Conditions:

None

Based on the analysis contained in the following report, our value conclusion(s) for the subject property are summarized as follows:

Final Value Conclusion(s)				
<u>Valuation Premise</u>	<u>Premise Qualifier</u>	<u>Interest Appraised</u>	<u>Effective Date of Value</u>	<u>Value Conclusion</u>
Fair Re-Use Value (Includes upfront site acquisition cost)	Upon Completion	Fee Simple	1/1/2017	(\$1,005,000) Negative
Add: Site Acquisition Cost Reimbursement				<u>\$985,000</u>
Fair Re-Use Value (After site acquisition cost reimbursement)	Upon Completion	Fee Simple	1/1/2017	(\$20,000) Negative

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents for the value opinions set forth above to be valid.

Respectfully submitted,
Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc.



Jeff Vance, MAI
Senior Appraiser
State of Idaho Certification No. CGA-2828
Certificate Expiration Date: 4/18/16
E-mail: jvance@valbridge.com



Moe Therrien, MAI
Senior Managing Director
State of Idaho Certification No. CGA-8
Certificate Expiration Date: 12/31/15
E-mail: mtherrien@valbridge.com

Table of Contents

Cover Page	
Letter of Transmittal	
Table of Contents.....	i
Summary of Salient Facts.....	ii
Aerial and Front Views.....	iii
Introduction.....	1
Neighborhood Description.....	4
Site Description.....	6
Improvements Description.....	12
Real Estate Assessment and Tax Data.....	22
Appraisal Methodology.....	23
Valuation – Market Value: Upon Stabilization	
Income Capitalization Approach.....	24
Sales Comparison Approach.....	47
Reconciliation – Market Value: Upon Stabilization.....	56
Market Value: Market Value: Upon Completion	
Lease-up Costs.....	58
Value Conclusion – Market Value: Upon Completion.....	58
Fair Re-Use Value: Upon Completion	
Development Costs.....	59
Value Conclusion – Fair Re-Use Value: Upon Completion.....	61
General Assumptions and Limiting Conditions.....	62
Certification.....	68
Addenda	

Summary of Salient Facts

Property Name:	Watercooler Apartments
Property Identification:	
Address:	1401 & 1413 W. Idaho Street
City, State, Zip Code:	Boise, Idaho 83702
Assessor Parcel No(s):	R1013007656 & R1013007651
Property Ownership:	Urban Renewal Agency of Boise City or Capital City Development Corp. (related entities)
Zoning:	Current: C-2DD, General Commercial District with Downtown Design Review Overlay District Proposed: C-5DD, Central Business District with Downtown Design Review Overlay District
Site Size:	24,408 square feet; 0.56 acres
Improvements (Proposed):	
Property Type and Subtype:	Apartment complex with commercial component
Property Use:	30 apartment units, 7 live/work units, and 1 retail unit
Gross Building Area:	32,250 square feet
Rentable Building Area:	27,962 square feet
Year Built:	To be 2016 (completed by January 1, 2017)
Building Quality:	Good
Condition:	New upon completion
Extraordinary Assumptions:	Yes, see letter of transmittal
Hypothetical Conditions:	None
Highest and Best Use:	Not considered for a re-use appraisal
Purpose of Appraisal:	Provide an opinion of Fair Re-Use Value: Upon Completion
Property Rights Appraised:	Fee Simple
Date of Inspection:	September 28, 2015
Date of Value(s):	Fair Re-Use Value - Upon Completion: January 1, 2017
Date of Report Preparation:	October 13, 2015
Final Value Conclusion(s):	
Fair Re-Use Value	(\$1,005,000)
(Includes upfront site acquisition cost)	
Add: Site Acquisition Cost Reimbursement	<u>\$985,000</u>
Fair Re-Use Value	(\$20,000)
(After site acquisition cost reimbursement)	

Aerial and Front Views

AERIAL VIEW



FRONT VIEW
(As Proposed)



Introduction

Client and Other Intended Users of the Appraisal

The intended users of this report include the client, Capital City Development Corporation, and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

Intended Use of the Appraisal

The intended use is to provide a basis for negotiating a sale of the site subject to a specific development proposal.

Real Estate Identification

The subject is comprised of two adjoining parcels. The properties are located at 1401 and 1413 W. Idaho Street, Boise, Idaho 83702. The Ada County Assessor identifies the subject properties as Assessor Parcel Numbers R1013007656 and R1013007651.

Legal Description

The subject is legally described as Parcel A and Parcel B, Record of Survey No. 9014, Prepared for Capital City Development Corporation, Lots 9-12, Block 114, Boise City Original Townsite, Boise City, Ada County, Idaho.

Real Property Interest Appraised

We have appraised the fee simple estate in the subject property.

Type and Definition of Value

We developed opinions of the following types of value for the subject property.

VALUATION SCENARIOS

Valuation	Completed
Fair Re-Use Value: Upon Completion	Yes

Fair Re-Use Value – The re-use analysis encompasses a review of the developer’s proposal, including preliminary estimates of development costs and cash flow considerations. This information was then gauged against prevailing costs, sales, rents, and expenses for similar or competing developments. The reconciled data was then submitted to a valuation process, including the Income Capitalization Approach and Sales Comparison Approach, to yield an estimate of property value supported by the re-use proposal. The process compares development cost to value with the difference representing value for the site considering the proposed use. The conclusion is termed Fair Re-Use Value. Significant assumptions to the process are outlined within the report.

Please refer to the Glossary in the Addenda section for further definitions for terms employed in this report.

Effective Date(s) of Value

The effective date of value is January 1, 2017, the projected date of completion.

Date of Report

The date of this report is October 13, 2015. Our conclusions are reflective of market conditions as of the effective date of value.

Scope of Work

The scope of work includes all steps taken in the development of the appraisal. This includes 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and the type of appraisal report prepared.

The subject site was legally identified via city, county, and public records. Architectural drawings and specifications provided by the developer were relied upon for describing the proposed improvements. Economic characteristics of the subject property were projected via comparison to properties with similar locational, physical, and financial characteristics.

Jeff Vance, MAI, completed an exterior inspection of the subject on September 28, 2015. Jeff Vance, MAI, completed an interior inspection of the building on June 17, 2014 as a part of a prior appraisal with an unrelated scope of work. Moe Therrien, MAI, completed a current exterior inspection of the subject property.

The Income Capitalization Approach and Sales Comparison Approach were utilized to provide opinions of Market Value: Upon Stabilization and Market Value: Upon Completion. Direct and indirect costs, including an allowance for developer's profit, were then deducted from the estimates of market value resulting in a residual value representing Fair Re-Use Value: Upon Completion. The process is essentially a residual analysis comparing cost to value with the difference representing value for the site based on the proposed use.

This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a) of USPAP. It presents a narrative discussion, in condensed format, of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

Use of Real Estate

As of the Date of Value: The subject site is currently improved with an older office building and related parking improvements which will be razed upon development. Upon completion, the subject is a 32,250 square foot apartment project containing 30 apartment units, 7 live/work units, and 1 commercial unit.

As of the Date of this Report: Same as above.

Ownership and Sales History

According to Ada County Assessor records, title to the subject property is vested in Urban Renewal Agency of Boise City, which has owned the property for more than three years. To our knowledge, the subject property has not been sold, listed, or entertained offers for purchase within the past three years. We have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

List of Items Requested but Not Provided

None.

Extraordinary Assumptions:

- 1) The subject is proposed. The appraisal and its conclusions relied upon preliminary building plans, projected construction costs, and specifications provided by the developer. This appraisal is subject to the extraordinary assumption that the improvements will be constructed as described herein. Construction is projected to be complete by January 1, 2017, which is the prospective date of value representing Fair Re-Use Value: Upon Completion.

- 2) The subject is currently zoned C-2DD (General Commercial District). Under current zoning, the proposed use would require conditional use approval by the City of Boise Commission. Further, the subject is proposed to be developed with 29 parking spaces, which is fewer than required by zoning. According to the developer, the subject site is currently in the process of being rezoned to C-5DD (Central Business District), which would allow the proposed use. As a part of the rezone, the subject will be granted a parking variance approving the proposed parking. This appraisal is subject to the extraordinary assumption that the site will be rezoned C-5DD and the parking variance will be granted.

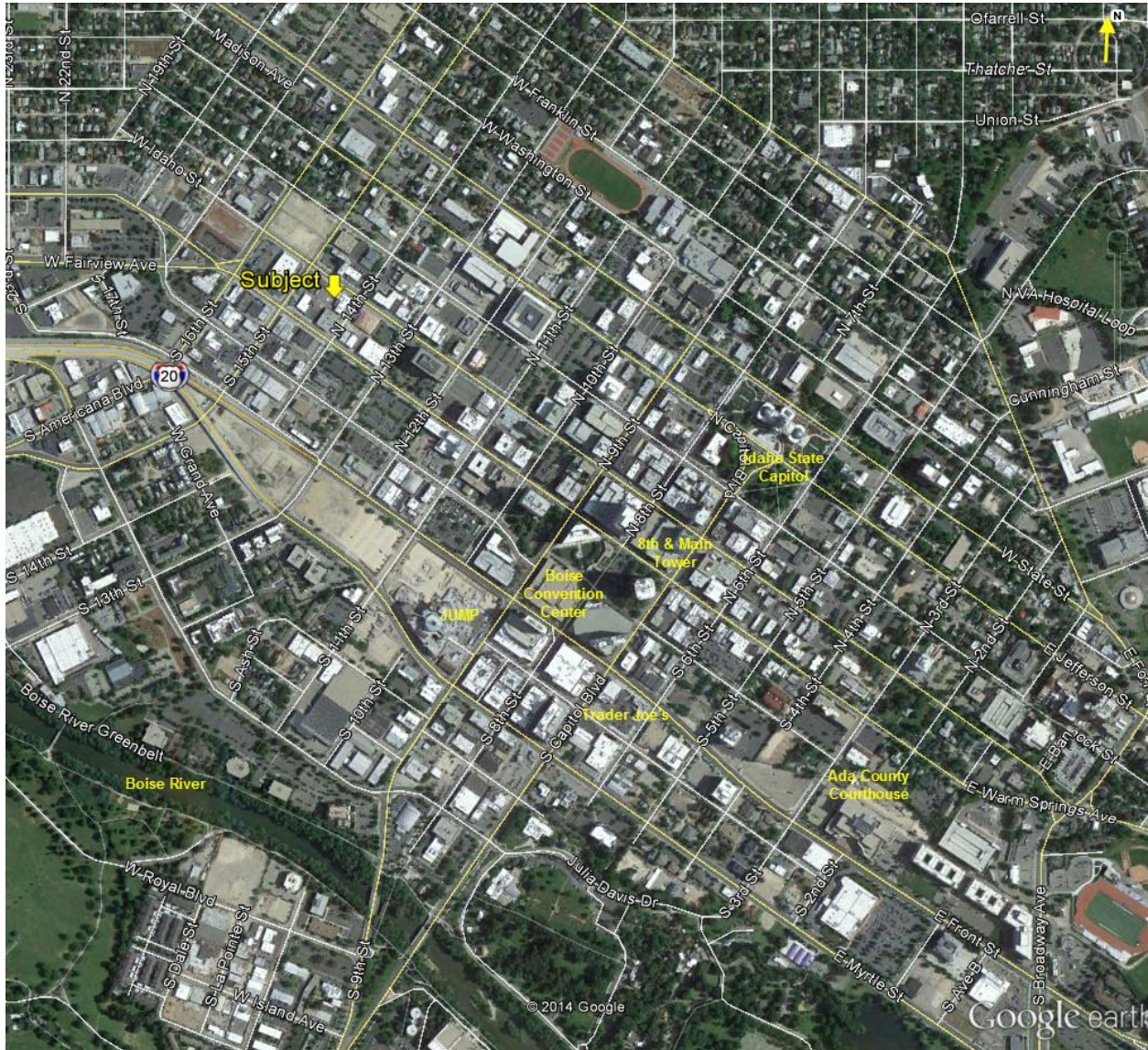
If any of these extraordinary assumptions are later proven to be false, the value conclusion(s) reported herein could be rendered invalid, and further valuation analysis would be warranted.

Hypothetical Conditions

None.

Neighborhood Description

Immediate Neighborhood Aerial



Immediate Neighborhood

The subject is located ½ mile west of the center of Boise's downtown pedestrian core at the signalized intersection of Idaho Street and 14th Street. Idaho Street is a three-lane, west-bound, arterial extending through the downtown core. 14th Street is a two-lane, south-bound, secondary arterial connecting north Boise to the western fringe of downtown Boise. Note, 14th Street is in the process of being changed from 1-way to 2-way traffic. The immediate area is primarily developed with older one and two story office buildings, retail buildings, and office/warehouse buildings. The majority of the mid-and-high-rise office buildings and public parking garages are located in the downtown core, approximately 1/4 to 1/2 mile east.

Located adjacent north of the subject across Idaho Street is a retail/office building built in 1964 and a two story office building built in 1930 and renovated in 1979. East across 14th Street is an office building built in 1948 and renovated in 1960. South is a retail building built in 1941 and renovated in 2012. West is a parking lot.

There are several significant developments that have been recently completed or are currently under construction in downtown Boise. The 17-story 8th & Main Building is located at the corner of Main Street and 8th Street. It was completed in early 2014. Notable tenants include Ruth's Chris Steakhouse, Holland and Hart Attorneys LLP, First American Title, and Zions Bank. Also completed in early 2014 was a Trader Joe's store located at the corner of Capitol Boulevard and Front Street. Whole Foods and Walgreens, located at the eastern fringe of downtown along Broadway Avenue, were completed in late 2012. Jacks Urban Meeting Place (JUMP), a \$100 million mixed-use development located at 9th and Front Street, is under construction and is scheduled for completion in 2016. The JR Simplot Company recently broke ground on a new corporate office headquarters building at 9th and Front Street adjacent to the JUMP project. The building will be 9-stories and contain 334,000 square feet of office space to be occupied by more than 900 Simplot Co. employees. Simplot Co. will consolidate/expand to the headquarters building from other locations in Boise. Construction is underway on the City Center Plaza, a \$70 million mixed-use development located at the southeast corner of 8th Street and Main Street. City Center Plaza will include a nine story, 206,000 square foot office/retail building, an underground urban transit mall, and a second multi-story office building with two levels of parking. The project is nearly 100% pre-leased. Construction on the OneNineteen Condominiums recently started at the northwest corner of Grove Street and 10th Street. The project will be six-stories and include 26 residential condominium units and two levels of garage parking. It is scheduled for completion in mid-2016. The Afton Condominiums is proposed to be developed at the northeast corner of River Street and 9th Street. The project will contain 67 residential units to be developed in two phases over a five year period. Construction is scheduled to begin in October 2015. Three large scale hotels are in the planning stages to be developed in the downtown area. Four apartment complexes are currently under construction between Ann Morrison Park and S. Capitol Boulevard (across the Boise River). The complexes will total 541 units and space for nearly 1,500 beds. The apartments are targeted for Boise State University students. In addition, two new apartment complexes with a total of 200 units are in the planning stages to be developed at the east fringe of the downtown core.

Conclusion

The subject location is rated good. It is located approximately ½ mile west of the center of the downtown pedestrian core. The subject benefits from good access features, surrounding commercial development, and proximity to Boise's downtown core. Upside is forecasted for the downtown Boise submarket. Several significant commercial projects are currently under construction or planned for development in the downtown area, and renovation of older properties continues to be on-going.

Site Description

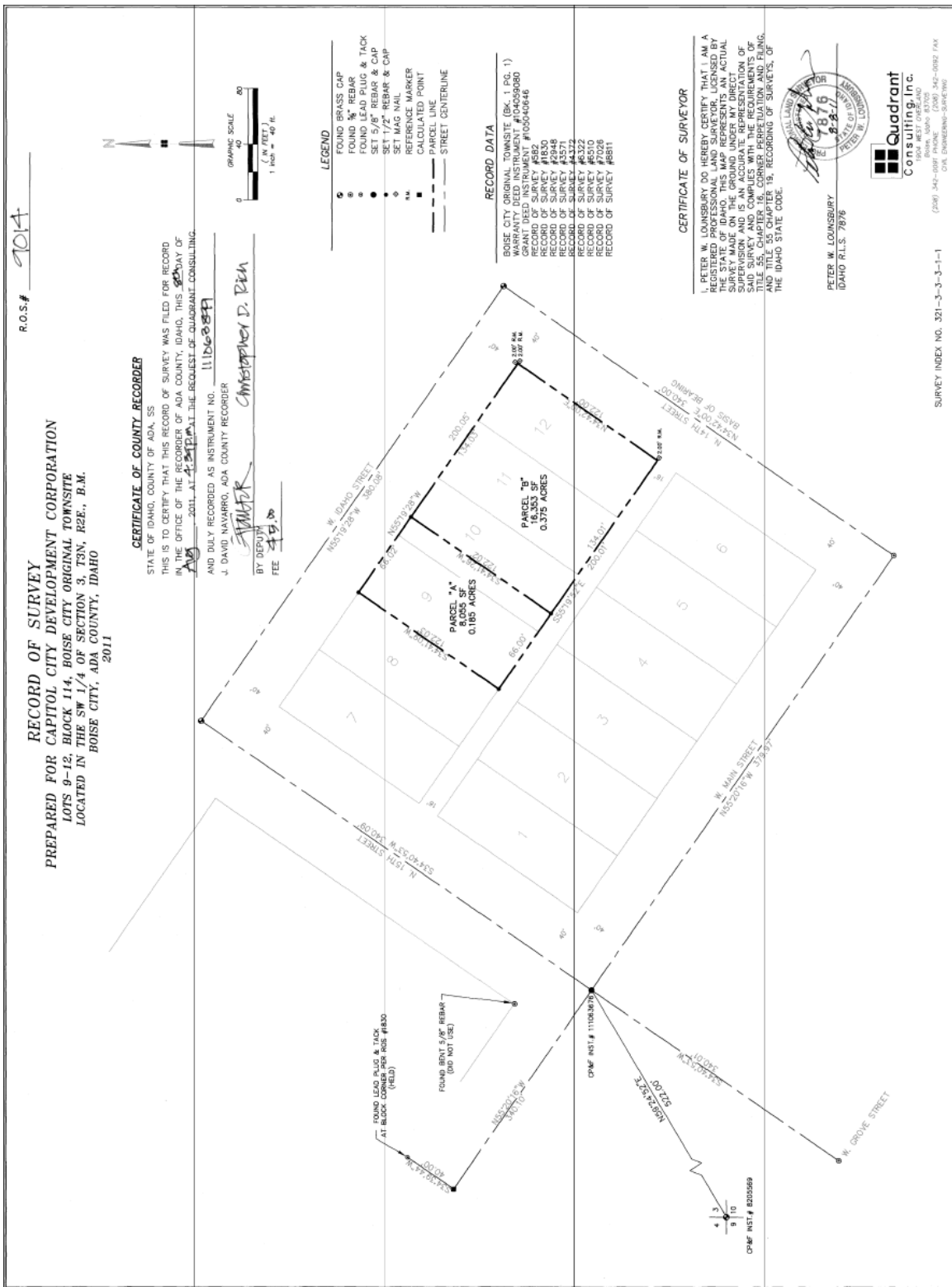
Assessor's Parcel Map



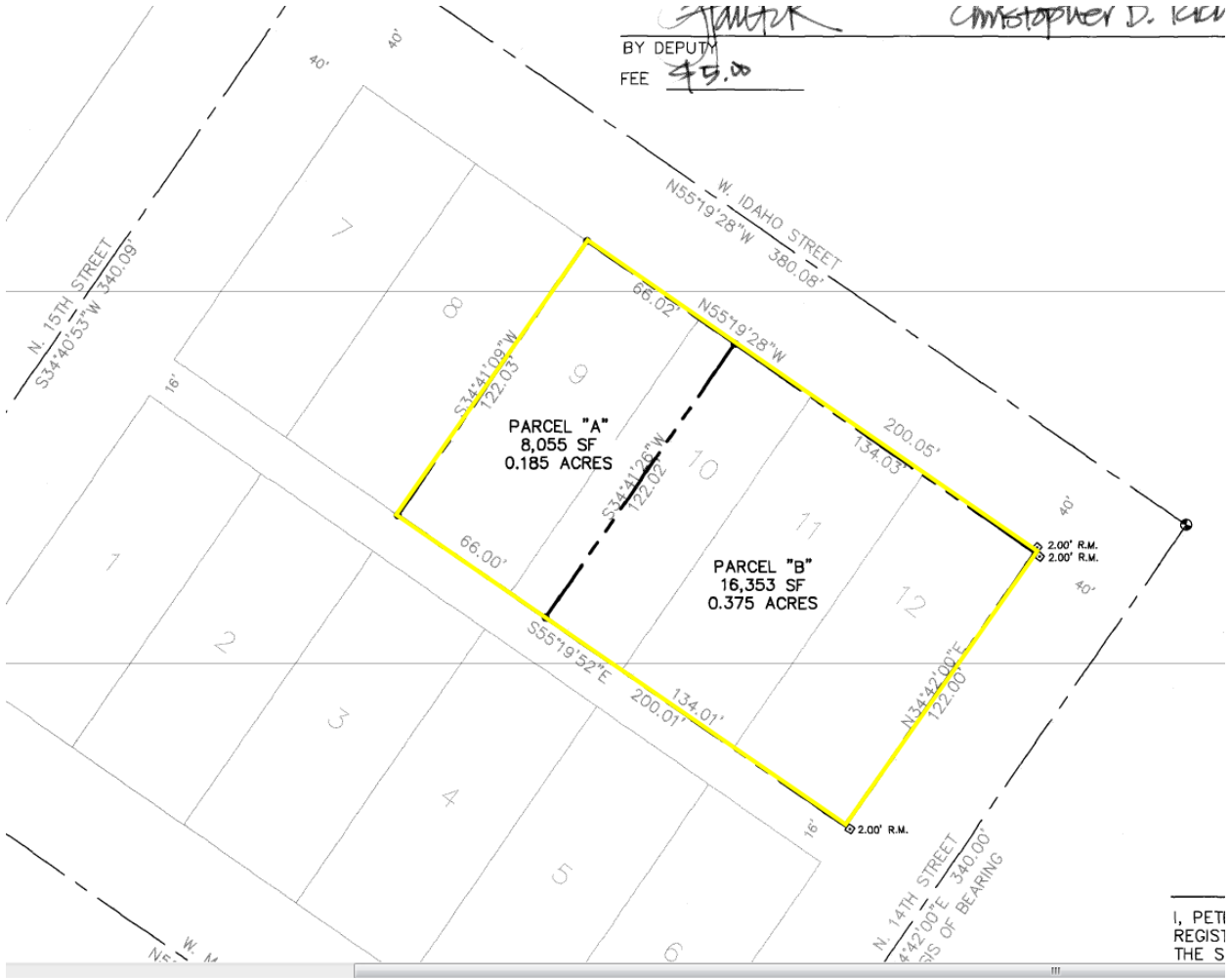
Assessor's Aerial Overlay



Record of Survey



Record of Survey
(Close-up)



General Data

Street Address: 1401 and 1413 W. Street, Boise, Idaho 83702
Assessor Parcel Number(s): R1013007656 and R1013007651

Adjacent Land Uses

North: Retail/office building and two-story office building
South: Retail building
East: Office building
West: Parking lot

Physical Characteristics

Site Area: 24,408 square feet; 0.56 acres
Land Size Determination: Record of Survey
Usable Land Area: All of the land is usable/developable
Configuration: Rectangular
Topography: Generally level
Parcel Location: SWC of Idaho Street and 14th Street

Primary Access/Exposure

Street Name: Arterial exposure is from Idaho Street; vehicular access is from a mid-block alleyway extending between 14th Street to 15th Street.
Street Type: Idaho Street is an arterial street extending through the downtown core. 14th Street is a secondary arterial extending through the western fringe of downtown.
At Signalized Intersection: Yes; intersection of Idaho Street and 14th Street
Overall Visibility: Good
Comments: Exposure is rated good; vehicle access is rated fair.

Site Improvements

Off-Site Improvements: Idaho Street is a west-bound, one-way, 3-lane roadway. 14th Street is currently a south-bound, one-way, 2-lane roadway. 14th Street is in the process of being changed to a 2-way roadway. Each street is improved with asphalt paving, concrete sidewalks and curbing, and landscaping.
Utilities: All typical utilities are available to the subject including municipal water and sewer, electricity, gas, and telephone service.
On-Site Improvements: The site is currently improved with asphalt paved parking, perimeter wrought iron fencing on east lot, and a 21' x 47' canopy for covered parking and/or material storage. These site improvements will be razed upon development. Proposed site improvements include asphalt paved parking, concrete curbing, and sprinkler irrigated landscaping.

Flood Zone Data

Flood Map Panel: 16001C0277H; 2/19/2003
Flood Zone: The subject property is located within an "X" flood zone. The "X" flood zone is designated as outside a flood hazard area. Properties

within an "X" flood zone are not required to carry flood insurance. The flood map and definitions are located in the addenda of this report.

Other Site Conditions

Soils:	Subsoil and drainage appear adequate to support the existing use.
Environmental Issues:	During the property inspection, we did not observe any obvious environmental concerns. As real estate appraisers, we are not qualified to determine if any environmental hazards exist on the property, whether such hazards are obvious or not. Therefore, this appraisal assumes any environmental hazards to be nonexistent or minimal.
Easements & Restrictions:	The property has no known atypical easements or restrictions. A title report was not provided in connection with this assignment. Based on our own observations, no adverse easements or restrictions exist. This appraisal assumes only standard utility easements and governmental restrictions exist, none of which are assumed to impact value. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.
Earthquake Zone:	The subject is located within Earthquake Zone 2B, considered a moderate zone with respect to seismic activity.

Zoning Designation (Rezone to C-5DD)

Zoning Code:	C-5DD, Central Business District with Downtown Design Review Overlay District
Zoning Jurisdiction:	City of Boise
Zoning Definition:	C-5; Central Business District Boise City zoning defines this zone as "to establish a distinct zone regulated to address the needs of the City's Central Business District and to provide for activities conducive to a compact and concentrated urban downtown commercial center." DD; Downtown Design Review Overlay District Boise City zoning defines this zone as "established to insure that the general appearance of the development on the land shall not be in conflict with the Comprehensive General Plan or other development plans adopted by Boise City for specific areas. It shall be further purpose of this act to protect property rights and values, enhance important environmental features of the city and the physical characteristics of the land; and further to insure that the general appearance of buildings and structures, and the development of land, shall not impair or preclude the orderly and harmonious development of the community. To accomplish said objectives, it shall be the further purpose of this act to coordinate design input from other jurisdictions, to regulate landscaping, to review building design, site planning, sign grading, development and beautification, including but not limited to the regulation and restriction of the type, number of stories, size, construction, reconstruction, alteration, repair or use of buildings and structures to insure compliance with the requirements

of the respective use district with which the "D", "HD", and "DD" district is combined.

Permitted Uses: This zoning allows for a wide variety of commercial and multifamily uses. Some of the permitted uses include multifamily residential, bank, club/social hall, medical office, professional office, retail, restaurant, pharmacy, laundry facility, parking garage, school, and tavern.

Zoning Comments: The proposed use is a legally conforming use under C-5DD zoning.

Parking Requirements

On-site Parking: 29 spaces; 12 covered, 17 open

Parking District: The subject is located in the P-3 parking district which reduces required on-site parking from standard.

Zoning Required Parking: As stated on the building plans, current zoning requires 44 on-site parking spaces. However, as a part of the rezone, the subject will be granted a parking variance which would approve the proposed development with 29 on site sapces.

Site Rating

Location: Good, adjacent to the downtown core

Access: Fair

Exposure: Good, arterial street frontage

Functional Utility: Good, rectangular/level site

Overall Site: Good

Improvements Description

Subject Photographs



Subject site (improvements to be razed)



14th Street, viewing north, subject on left



Main Street, viewing west, subject of right



Rear access alley, subject on left

Proposed Improvements Description

The subject property is a proposed 32,250 square foot apartment project situated on a 0.56-acre site. The building will be 3 stories and contain 30 apartment units, 7 live/work units, and 1 commercial unit. Construction will be wood frame with stucco and cement board vertical plank siding. Roof cover will be white rubber membrane (TPO) and HVAC will be rooftop condenser units with in-unit heat pumps. Interior finishes will be of good quality. Flooring will be laminate wood throughout with ceramic tile in bathrooms. Each bathroom will include a shower/tub, sink, and toilet. The kitchens and bathrooms will have quartz countertops and wood cabinetry. Appliances will include refrigerator, oven/range, microwave, dishwasher, garbage disposal, and washer/dryer. The live/work and commercial units will be located on the main level. The live/work units will include a loft on the mezzanine level. The apartment units will be located on levels 2 and 3. Access is via enclosed stairwells and hallways. The building will not have any elevators or patios/balconies. The project will have bike storage, general storage, and 29 parking spaces available for lease by the tenants. The commercial space is planned for coffee shop or deli/restaurant use and will include an outdoor patio area.

Age / Life Analysis

Year Built: To be 2016
 Actual Age: 0 years at completion
 Effective Age: 0 years at completion
 Typical Economic Life: 60 years
 Remaining Economic Life: 60 years

Improvement Ratings

Quality/Design: Good
 Age/Condition: New at completion
 Deferred Maintenance: No deferred maintenance at completion.
 Functional Obsolescence: The subject will be new at completion. Its design and functionality is typical of newer projects in the local market. The subject will have no functional obsolescence.
 Overall Rating: Good

The building sizes and use mix are summarized in the following tables.

Building Size:

Building Size		
Apartments	GBA*	RBA
1st Floor* + Mezz	8,316	7,522
2nd Floor	11,967	10,220
3rd Floor	<u>11,967</u>	<u>10,220</u>
Total	32,250	27,962

*1st floor GBA includes 672 sf of storage areas and 685 sf of commercial space

Unit Mix:

Unit Mix				
Component	No. of Units	Avg. Unit Size	RBA	%
Commercial	1	682	682	2%
Live/Work Units	7	977	6,840	24%
Studio Units	6	500	3,000	11%
1x1 Units	14	650	9,100	33%
2x2 Units	8	780	6,240	22%
3x2 Units	<u>2</u>	<u>1050</u>	<u>2,100</u>	<u>8%</u>
	38	736	27,962	100%

Unit Summary:

Unit Summary

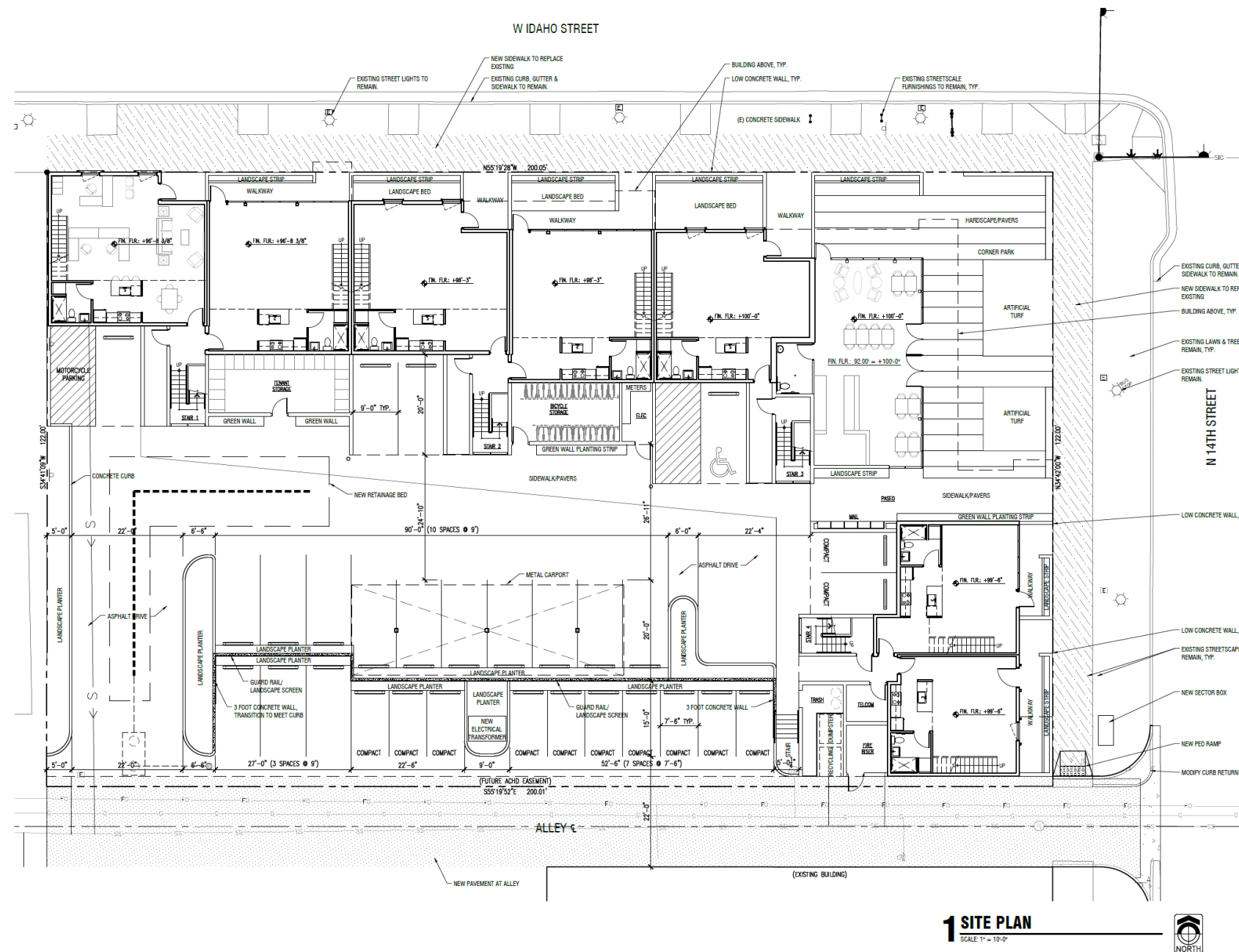
<u>Count</u>	<u>Floor</u>	<u>Unit</u>	<u>Unit Type</u>	<u>Unit Size</u>
1	1	C	Commercial	682
2	1	1	Live/work	1,096
3	1	2	Live/work	1,046
4	1	3	Live/work	1,096
5	1	4	Live/work	1,046
6	1	5	Live/work	1,036
7	1	6	Live/work	800
8	1	7	Live/work	720
9	2	201	1x1	650
10	2	202	Studio	500
11	2	203	2x2	780
12	2	204	1x1	650
13	2	205	1x1	650
14	2	206	Studio	500
15	2	207	2x2	780
16	2	208	1x1	650
17	2	209	1x1	650
18	2	210	Studio	500
19	2	211	2x2	780
20	2	212	1x1	650
21	2	213	1x1	650
22	2	214	2x2	780
23	2	215	3x2	1,050
24	3	301	1x1	650
25	3	302	Studio	500
26	3	303	2x2	780
27	3	304	1x1	650
28	3	305	1x1	650
29	3	306	Studio	500
30	3	307	2x2	780
31	3	308	1x1	650
32	3	309	1x1	650
33	3	310	Studio	500
34	3	311	2x2	780
35	3	312	1x1	650
36	3	313	1x1	650
37	3	314	2x2	780
38	3	315	3x2	<u>1,050</u>

Total RBA 27,962

The architectural drawings of the site plan, floor plans, and elevation plans are provided on the following pages (plans dated September 25, 2015). Note, the floor plans show the commercial unit is 946 square feet. However, another set of building plans shows the commercial unit is 682 square feet (included in addenda). According to the developer, the commercial unit will be 682 square feet, which is the size utilized herein.

Site Plan

W IDAHO STREET



1 SITE PLAN
 SCALE: 1" = 10'-0"



PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702

SEAL

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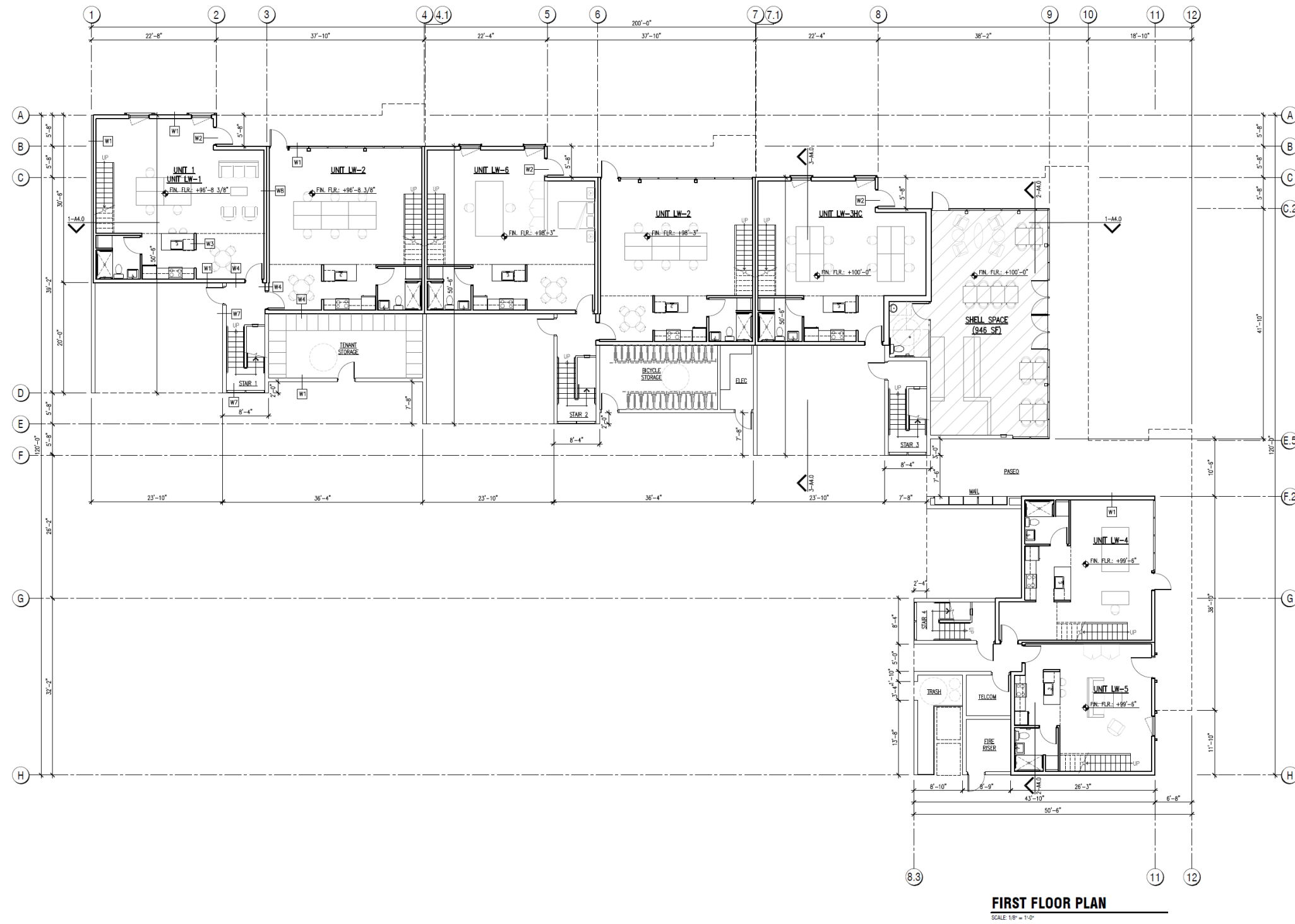
FILE
 DATE: SEPTEMBER 25, 2015
 PLAN: 15-621 A1.0
 DRAWN: DAVID RUBY, AIA

REVISIONS
 SHEET
A1.0
 ARCHITECTURAL SITE PLAN

PROJECT SUMMARY

LOT AREA: ±24,408 S.F. (.56 ACRES)	TOWNSHIP/RANGE/SECTION: T3N10	TOTAL BUILDINGS: 1
ZONING (CURRENT/PROPOSED): C1-DD/C-500	FRONT YARD SETBACK: 0 FT.	TOTAL UNITS: 37
PARCEL No.: R1013007656	STREET SIDE YARD SETBACK: 0 FT.	LIVE/WORK: 7 (19%)
TOWNSHIP/RANGE/SECTION: T3N10	SIDE YARD SETBACK: 0 FT.	1 BDRM 1 BATH: 6 (16%)
PARCEL No.: R1013007651	REAR YARD SETBACK: 0 FT.	2 BDRM 1 BATH: 14 (38%)
	MAXIMUM BUILDING HEIGHT: NONE	2 BDRM 2 BATH: 8 (22%)
	ACTUAL BUILDING HEIGHT: 45 FT.	3 BDRM 2 BATH: 2 (5%)
		PROPOSED PARKING:
		TOTAL PARKING STALLS REQUIRED/PROVIDED: 44/29
		TOTAL ACCESSIBLE STALLS REQ'D/PROVIDED: 1/1
		TOTAL COMPACT STALLS: 12
		TOTAL COVERED STALLS REQ'D/PROVIDED: 0/12
		BICYCLE PARKING REQUIRED/PROVIDED: 37/38

First Floor Plan



FIRST FLOOR PLAN
 SCALE: 1/8" = 1'-0"



499 MAIN STREET (208) 343-2931
 BOISE, IDAHO 83702 TAOIDAHO.COM
 1500 SW 11th Avenue
 Ste 2004
 Portland Oregon
 97201
 beebekidmore.com
 (503) 222-6560

BEE-
 BEE-
 MORE-
 SKID-
 MORE-
 BEE-
 BEE-

PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702



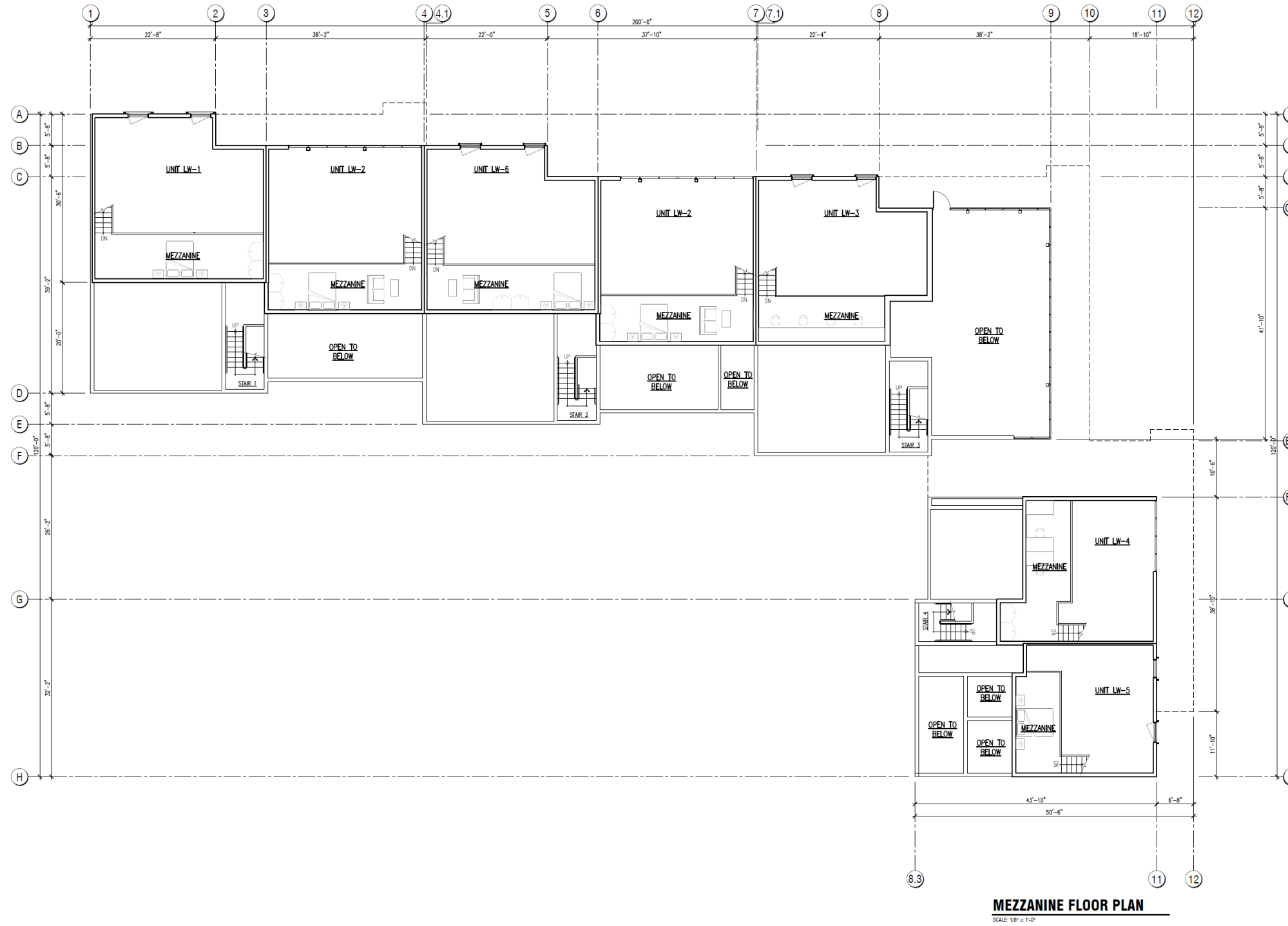
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FILE
 DATE: SEPTEMBER 25, 2015
 PLAN NO: 15-021 A2.0
 DESIGNER: DAVID RUBY, AIA

REVISIONS

SHEET
A2.0
 FIRST FLOOR
 PLAN

Mezzanine Floor Plan



490 MAIN STREET (208) 343-2931
 BOISE, IDAHO 83702 TAO@TAO.AO.COM
 1500 SW 11th Avenue
 No 2004
 Portland Oregon
 97201
 beebekidmore.com
 (503) 222-6580

PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702

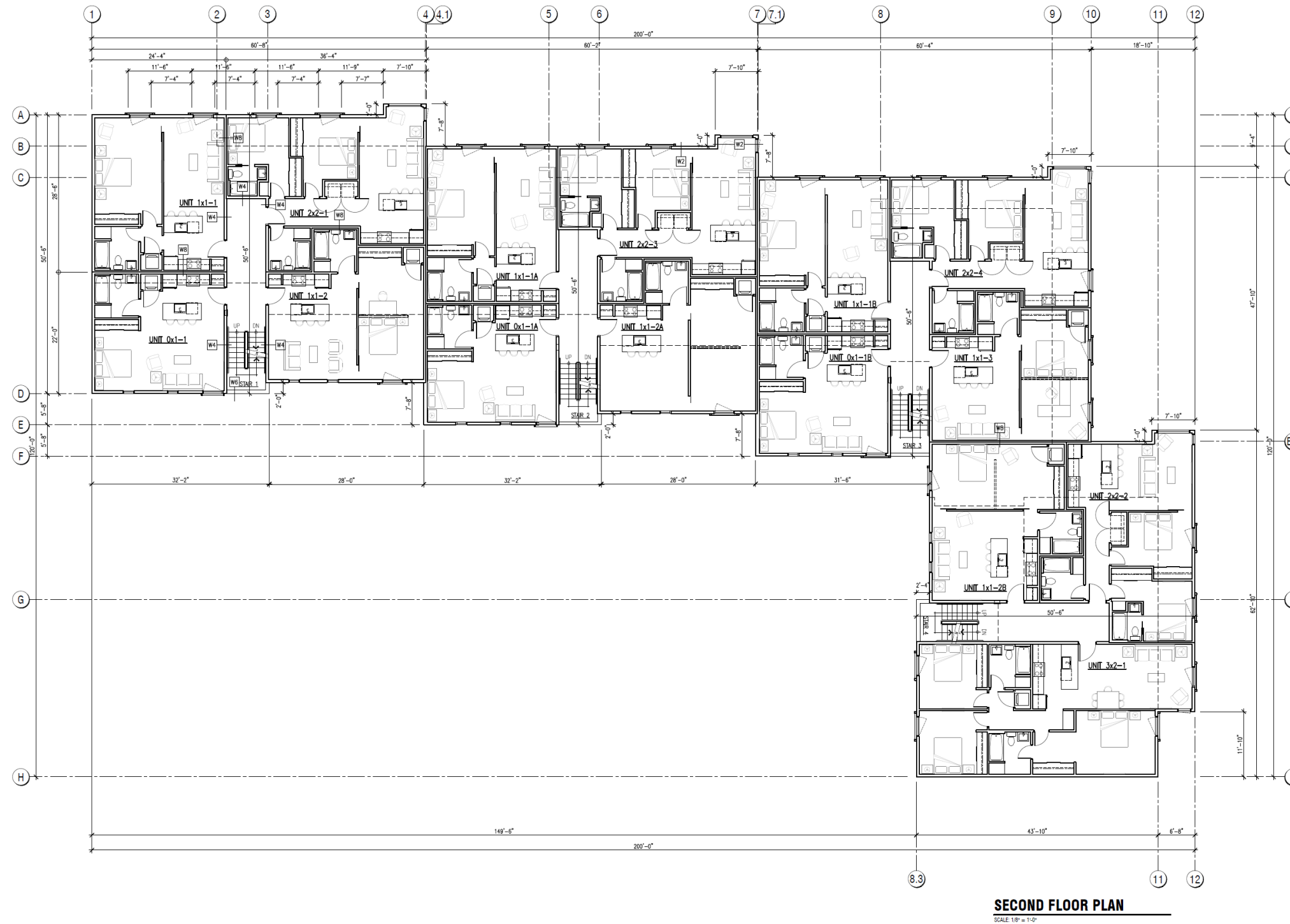


FILE
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 PLAN NO: 15-621 A2.0
 DRAWN: DAVID RUBY, AIA

REVISIONS

SHEET
A2.1
 MEZZANINE FLOOR PLAN

Second Floor Plan



1500 SW 11th Avenue
 No 2024
 Portland Oregon
 97201
 beebekidmore.com
 (503) 222-8580

PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702



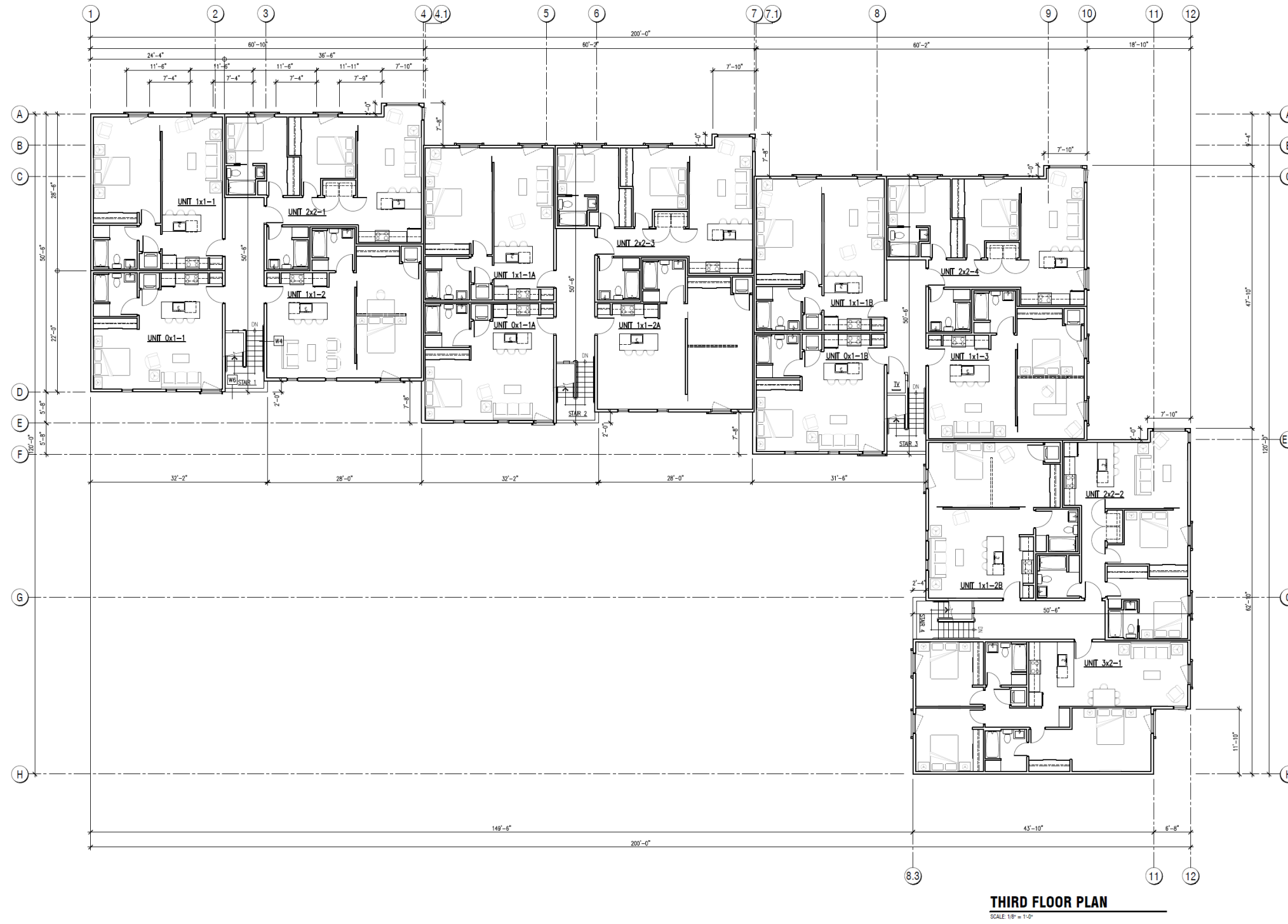
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REVISIONS

SHEET
A2.2
 SECOND FLOOR
 PLAN

Third Floor Plan



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 BOISE, IDAHO 83702 TAO.IDAHO.COM
 1300 SW 12th Avenue
 No 2004
 Portland Oregon
 97202
 ben@skidmore.com
 (503) 222-8560

PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702



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REVISIONS

SHEET
A2.3
 THIRD FLOOR PLAN

Elevation Plans



Elevation Plans



Real Estate Assessment & Tax Data

Assessed Value and Property Taxes: Upon Stabilization

The subject's projected assessed value and real estate taxes upon stabilization were based on assessment comparables of similar apartment buildings in the local market. The comparables are presented in the following table.

Assessment Comparables						
<u>Property</u>	<u>Address</u>	<u>Built</u>	<u>Assessor's No. of Units</u>	<u>2015 Total Assessment</u>	<u>Total Assess. Per Unit</u>	
CW Moore	450 W. Grove St., Boise	1998	47	\$3,875,700	\$82,462	
Clearwater	660-690 S. Clearwater Ln., Boise	1993	60	\$4,622,820	\$77,047	
Riverwalk	1689 W. Shoreline Dr., Boise	2002	75	\$5,807,625	\$77,435	
Logger Creek	332 Hale St., Boise	2002	112	\$10,311,952	\$92,071	
Selway Apartments	2552 W. Selway Rapids Ln., Meridian	2009	171	\$16,893,700	\$98,794	
Red Tail Apartments	121 E. Victory Rd., Meridian	2014-2015	220	\$20,900,000	\$95,000	
Gramercy Villas	2543-2549 E. Blue Tick St., Meridian	2012	48	\$4,694,800	\$97,808	
Regency at River Valley, Phase 1	3400 E. River Valley St., Meridian	2013-2014	240	\$25,837,900	\$107,658	
The Retreat at Union Square	1391-1461 S. Goldking Way, Boise	2013-2014	208	\$19,814,200	<u>\$95,261</u>	
				Minimum	\$77,047	
				Average	\$90,058	
				Maximum	\$107,658	

Projected Assessed Value and Property Taxes Conclusion: Upon Stabilization

The subject will be new upon completion, and superior to the majority of the comparables for quality/design and location. Considering these factors, the assessed value for the subject is projected to be \$110,000 per unit, nominally above the comparable range.

Projected Assessed Value & Taxes: Upon Stabilization

<u>No. of Units</u>	<u>Assess./Unit</u>	<u>Total Assessment</u>	<u>Real Estate Taxes</u>	<u>Per Unit</u>
38	\$110,000	\$4,180,000	\$70,521	\$1,856
			Tax rate	1.6871%

Appraisal Methodology

Approaches to Value

There are three traditional approaches typically available to develop indications of real property value: the Cost, Sales comparison, and Income Capitalization Approaches.

Cost Approach - The Cost Approach is based upon the principle of substitution, which states that a prudent purchaser would not pay more for a property than the amount required to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. For proposed or new facilities that have suffered little or no depreciation, this approach is meaningful, though it is rarely used by investors.

Sales Comparison Approach – The Sales Comparison Approach involves the direct comparison of sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. It is based on the Principle of Substitution. This principle states that no one would pay more for the subject than the value of a similar property in the market. In active markets with a large number of physically similar comparables, this approach is generally considered to be a good indicator of value. However, the use of this approach is limited, because many properties have unique characteristics that cannot be accounted for in the adjustment process. In addition, market data is not always available. Both of these factors may reduce the validity of this approach. This is often a secondary approach for income-producing properties.

Income Capitalization Approach - The Income Capitalization Approach is based on the principle of anticipation, or the assumption that value is created by the expectation of benefits to be derived in the future, such as expected future income flows including the reversion, or future resale of the property appraised. Its premise is that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics.

Subject Valuation: The Income Capitalization Approach and Sales Comparison Approach were utilized to provide opinions of Market Value: Upon Stabilization and Market Value: Upon Completion.

Direct and indirect costs, including an allowance for developer's profit, were deducted from the estimates of market value resulting in a residual value representing Fair Re-Use Value: Upon Completion. The process compares development cost to value with the difference representing value for the site considering the proposed use.

Market Value: Upon Stabilization Income Capitalization Approach

Methodology

The Income Capitalization Approach is based on the principle of anticipation. Its premise is that a prudent investor will pay no more for the subject property versus another investment property of similar risk and cash flow characteristics. It is generally considered to be the best and most accurate measure of value for income-producing properties such as the subject. The steps taken to apply the approach are as follows:

1. Estimate potential gross income of the property (i.e., market rent, miscellaneous income)
2. Consider appropriate allowances for vacancy and collection loss to calculate effective gross income.
3. Estimate operating expenses.
4. Calculate net operating income by deducting operating expenses from effective gross income.
5. Apply the most appropriate capitalization method to convert anticipated net income to an indication of value.

Potential Gross Income – Apartment Component

Comparable Selection - The first step is to estimate the subject's potential gross income, (PGI) which is derived by comparing the subject to similar properties that are rented. The subject features five unit types as summarized below:

Unit Mix				
Component	No. of Units	Avg. Unit Size	RBA	%
Live/Work Units	7	977	6,840	24%
Studio Units	6	500	3,000	11%
1x1 Units	14	650	9,100	33%
2x2 Units	8	780	6,240	22%
3x2 Units	2	1050	2,100	8%

The 1BR/1BA and 2BR/2BA floor plans have been selected as "base" comparison units. The base comparison units represent the average unit in terms of location (view/floor level) within the project. Market rent for these units will be estimated via direct comparison to other competing apartments. Concluded market rents for these two base units are then utilized as a basis for estimating market rent for the studio units, 3BR/2BA units, and Live/Work units, by applying adjustments for bedroom count and/or size and/or design.

Note, the live/work units are atypical for the Boise market. Only recently have a few newer projects introduced live/work units in their designs. The live/work units have not been received as well as anticipated in competing projects. The subject live/work units have a design which could accommodate either typical apartment use or live/work use. The main level will include a kitchen, bathroom, and open area to accommodate either a family room or work space. The loft is designed for a bedroom. We do not anticipate a material rent premium or discount versus typical apartment use for the live/work units. Thus, in this appraisal market rent and market value for the live/work units will be similar to the apartment units.

In researching rental comparables, an effort was made to locate apartment complexes of similar location, age, quality and design. The selected comparables are located in downtown Boise or nearby peripheral areas. The developers' estimates of market rent for the subject units were also considered.

Adjustments - Quantitative adjustments are applied for differences in location, physical characteristics, amenities/features and rent structure. Adjustments are based on paired analysis, owner/management responses, and the appraisers' significant experience in appraising apartment properties.

Comparative Analysis – 1BR/1BA Units

Market Conditions (Time) - This category accounts for rent differences due to rent changes over time. The comparables are all current rents and representative of the current market. The prospective date of value for the subject is January 1, 2017, the projected date of completion. Rental rents have exhibited moderate appreciation during the past few years. This appreciating trend is projected to continue through the subject construction period at an estimated rate of +3% per year.

Location – This category accounts for property value differences associated with different location qualities and desirability, and also considers such factors as exposure, access, and linkage. The subject has a good location approximately ½ mile west of the center of the downtown pedestrian core. Comparable 3 has a similar downtown peripheral location. Comparables 2, 4, and 5 have superior locations, located nearer the downtown pedestrian core. Downward adjustments ranging from -\$20 to -\$25 were applied. Comparable 6 is inferior to the subject. It is located outside the immediate downtown area beyond convenient walking distance to downtown services. An upward adjustment of \$75 was applied.

Age/Condition – The subject will be in new at completion. Typically, there is a positive correlation between effective age/condition and rent. The adjustments are based on market participant (tenant and managers) responses over the years emphasizing rent differences for new carpet, paint, window covers versus standard original finishes within the same complex, and with general support by paired property analysis. Comparables 2-5 are inferior to the subject for age/condition. Upward adjustments ranging from \$50 to \$150 were applied.

Quality/Appeal - The subject will be of good quality and design. Comparables 2, 4, 5, and 6 are similar for construction quality and appeal. Comparable 3 has a more typical suburban, garden style design and is considered inferior. An upward adjustment of \$50 was applied.

Size – Unit size has an impact on rent. Our paired property analysis shows rent differences in an approximate range of 25% to 50% of the comparable rent/SF. Larger units/older projects trend to the lower end of the adjustment range, and vice versa. Given the physical characteristics of the subject and smaller size of the one bedroom units, an adjustment rate at the upper mid-range of the paired analysis, or 40% is most appropriate.

Base Utilities – The tenants for the subject units are responsible for all utilities, including water, sewer, trash, gas, and electric (tenants pay directly or expenses are reimbursed). Comparables 3-5 include water, sewer, and trash in the monthly rent, warranting downward adjustments of \$35. Comparables 4 and 5 also include heat/electric in monthly rent, warranting additional downward adjustment of \$40. The adjustments are based on reimbursement rates reported at other complexes in the subject market.

Patio/Balcony – The subject units do not have a patio/balcony. Comparables 3 and 6 include either a patio or balcony; thus, warranting downward adjustments of \$15 and \$25 respectively.

Parking – A parking space is not included in the subject’s rental rate. The spaces will be leased separately. The comparables vary with respect to parking in terms of type, number of spaces and design (i.e., open, carport, garage). We conclude a contributory rent premium of \$20 for a suburban open space, \$40 for carport, and \$75 for the garage parking. Comparable 4 does not have available parking. Considering its downtown core location, tenants would have to pay a higher market rate versus the subject. An upward adjustment of \$20 was applied.

In-Suite Washer/Dryer – Comparables 4 and 5 do not have in-suite washer/dryer nor do they have hook-ups, an upward adjustment of \$30 is applied for lack of in-suite washer/dryer. An additional upward adjustment of \$25 was applied for lack of hook ups.

Project Amenities – Similar to the subject, the majority of the comparables do not have any notable amenities. Comparable 2 is superior for amenities. Common amenities include a common lobby with coffee/alcohol bar and lounge area, restaurant (Plaza Grill), and basement fitness center. A downward adjustment of \$25 was applied.

Presentation – Presented on the following pages are the Rent Comparable Summation Table and Rent Comparable Map, followed by the discussion and analysis of the comparables, and conclusion(s) of market rent.

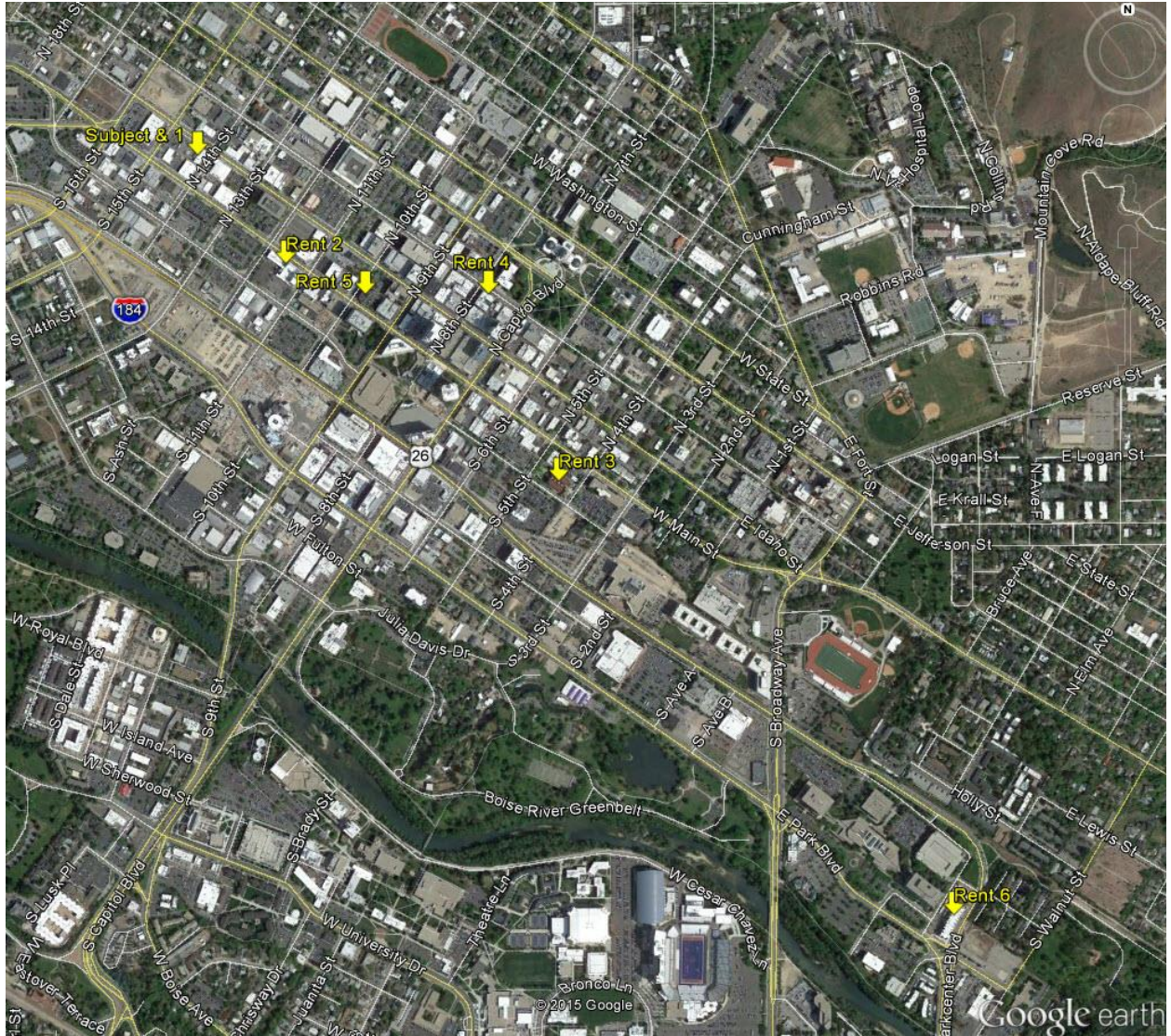
1BR/1BA Apartment Rent Comparable Summation Table



	Subject	Subject & 1	2	3	4	5	6
	Data	Data Adjust	Data Adjust	Data Adjust	Data Adjust	Data Adjust	Data Adjust
Location							
Project Name	Watercooler Apartments	Watercooler Apartments	Owyhee Plaza Apartments	CW Moore Apartments	The Idaho Building	Idanha	The 951 Apartments
Address	1401 & 1413 W. Idaho St.	1401 & 1413 W. Idaho St.	1109 W. Main St.	450 W. Grove St.	280 N. 8th St.	928 W. Main St.	951 E. Front Street
Town/City	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho
General Location	Good	Good	Superior (\$20)	Similar	Superior (\$25)	Superior (\$25)	Inferior \$75
Physical Characteristics							
Type of Project	Mixed-use (apartments/commercial)	Mixed-use (apartments/commercial)	Mixed-use (apartments/commercial)	Interior corridor w/ elevator	Mixed-use (apartments/commercial)	Mixed-use (apartments/commercial)	Mixed-use (apartments/commercial)
# of Stories	3-story	3-story	4-story (7-story adjoining comm. wing)	3-story over parking garage	6-story	6-story	4-story
Tot. Units in Project	37	37	36	47	50	53	61
# of Units this Type	14	14	14	47	37	11	10
Eff. Date of rental	1/17 (mkt appreciation +3%/yr)	1/17 projections	9/15 \$44	9/15 \$33	9/15 \$35	9/15 \$32	9/15 \$35
Current Occupancy	n/a; proposed	n/a	100%	100%	96%	93%	97%
Data Source	n/a; proposed	Developer	Rent roll	Surveyor estimates	Property manager	Property manager	Property manager
Year Built	To be completed January 1, 2017	To be completed Jan. 1, 2017	Renovated 2014	1998	1910; renovated 1989	1910; renovated 2001	2015
Age/Condition	New at completion	New at completion	Fully renovated; interior new \$50	Average \$150	Average \$150	Average (mid-level units) \$150	New
Quality/Appeal	Good	Good	Good	Average \$50	Good	Good	Good
Apartment Size (SF)	650	650	715 (\$43)	709 (\$30)	620 \$18	625 \$14	675 (\$14)
Number of Bedrooms	1	1	1	1	1	1	1
Number of Baths	1	1	1	1	1	1	1
Number of Floors	1	1	1	1	1	1	1
Features/Amenities							
Base Utilities Included in Rent	None	None	None	Water, sewer, trash (\$35)	Water, sewer, trash, heat (\$75)	Water, sewer, trash, electric (\$75)	None
Cable Television Included	No	No	No	No	No	No	No
Balcony/Patio	No	No	No	Balcony/patio (\$15)	No	No	Balcony/patio (\$25)
Parking	None (leased separately)	None (leased separately)	None (1/unit leased separately \$50/mo)	Parking garage (\$75)	None \$20	Leased separately (adjacent)	Carport (\$40)
Kitchen Appliances	Refrigerator, oven/range, microwave, dishwasher	Similar	Similar	Similar	Similar	Similar	Similar
Other Unit Amenities:							
Heating/Cooling	GFA/CAC	GFA/CAC	Geothermal/CAC	GFA/CAC	Geothermal/CAC	GFA/CAC	GFA/CAC
In-Unit Washer/Dryer	Yes	Yes	Yes	Yes	None; no hook ups \$55	None; no hook ups \$55	Yes
Fireplace	No	No	No	No	No	No	No
Floor Location/View	Good; avg. unit	Good, avg. unit	Similar	Similar	Similar	Similar	Similar
Project Amenities	None	None	Common lobby, fitness center, adj. plaza grill (\$25)	None	None	None	None
Other	None	None	None	None	None	None	None
Rent Range	Assume Market	\$1,150	\$1078-\$1,335	\$830-\$995	\$710-\$1,029	\$775-\$875	\$850-\$985
Standard Rent @ Turnover	Assume Market	\$1,150	\$1,175	\$890	\$925	\$850	\$925
Rent/S.F	Assume Market	\$1.77	\$1.64	\$1.26	\$1.49	\$1.36	\$1.37
Net Adjustments		\$0	\$6	\$79	\$178	\$150	\$31
Adjusted Market Rent		\$1,150	\$1,181	\$969	\$1,103	\$1,000	\$956
Adjusted Market Rent/SF		\$1.77	\$1.65	\$1.37	\$1.78	\$1.60	\$1.42

Adjusted Comparable Rent Summary			
Comparative Unit	Min	Max	Average
Per Unit	\$956	\$1,181	\$1,060
Per SF	\$1.37	\$1.78	\$1.60

RENT COMPARABLE MAP



Comparative Analysis – 2BR/2BA Units

Market Conditions (Time) - This category accounts for rent differences due to rent changes over time.

The comparables are all current rents and representative of the current market. The prospective date of value for the subject is January 1, 2017, the projected date of completion. Rental rents have exhibited moderate appreciation during the past few years. This appreciating trend is projected to continue through the subject construction period at an estimated rate of +3% per year.

Location – This category accounts for property value differences associated with different location qualities and desirability, and also considers such factors as exposure, access and linkage. The subject has a good location approximately ½ mile west of the center of the downtown pedestrian core. Comparable 3 has a superior location in the downtown pedestrian core. A downward adjustment of -\$25 was applied. Comparables 2, 4, and 5 are inferior to the subject. They are located outside the immediate downtown area beyond convenient walking distance to downtown services. Upward adjustments ranging from \$75 to \$125 were applied.

Age/Condition – The subject will be in new at completion. Typically, there is a positive correlation between effective age/condition and rent. The adjustments are based on market participant (tenant and managers) responses over the years emphasizing rent differences for new carpet, paint, window covers versus standard original finishes within the same complex, and with general support by paired property analysis. Comparables 2-4 are inferior to the subject for age/condition. Upward adjustments ranging from \$20 to \$100 were applied.

Quality/Appeal - The subject will be of good quality and design. Comparables 3 and 5 are similar for construction quality and appeal. Comparables 2 and 4 have a more typical suburban, garden style design and are considered inferior. Upward adjustments of \$50 were applied.

Size – Unit size has an impact on rent. Our paired property analysis shows rent differences in an approximate range of 25% to 50% of the comparable rent/SF. Larger units/older projects trend to the lower end of the adjustment range, and vice versa. Given the physical characteristics of the subject and the size of the two bedroom subject units, an adjustment rate at the mid-range of the paired analysis, or 35% is most appropriate (larger sizes versus 1BR unit analysis).

Base Utilities – The tenants for the subject units are responsible for all utilities, including water, sewer, trash, gas, and electric (tenants pay directly or expenses are reimbursed). Comparables 3 and 4 include water, sewer, and trash in the monthly rent, warranting downward adjustments of \$35. Comparable 3 also include heat/electric in monthly rent, warranting additional downward adjustment of \$40. The adjustments are based on reimbursement rates reported at other complexes in the subject market.

Patio/Balcony – The subject units do not have a patio/balcony. Comparables 2 and 5 include either a patio or balcony; thus, warranting downward adjustments of \$15 and \$25 respectively.

Parking – A parking space is not included in the subject's rental rate. The spaces will be leased separately. The comparables vary with respect to parking in terms of type, number of spaces and design (i.e., open, carport, garage). We conclude a contributory rent premium of \$20 for a suburban open space, \$40 for carport, and \$75 for the garage parking.

In-Suite Washer/Dryer – Comparables 3 and 4 do not have in-suite washer/dryer, upward adjustments of \$30 was applied for lack of in-suite washer/dryer. Comparable 3 does not have any hook-ups; an additional upward adjustment of \$25 was applied for lack of hook ups.

Project Amenities – Similar to the subject, the comparables do not have any notable amenities.

Presentation – Presented on the following pages are the Rent Comparable Summation Table and Rent Comparable Map, followed by the discussion and analysis of the comparables, and conclusion(s) of market rent.

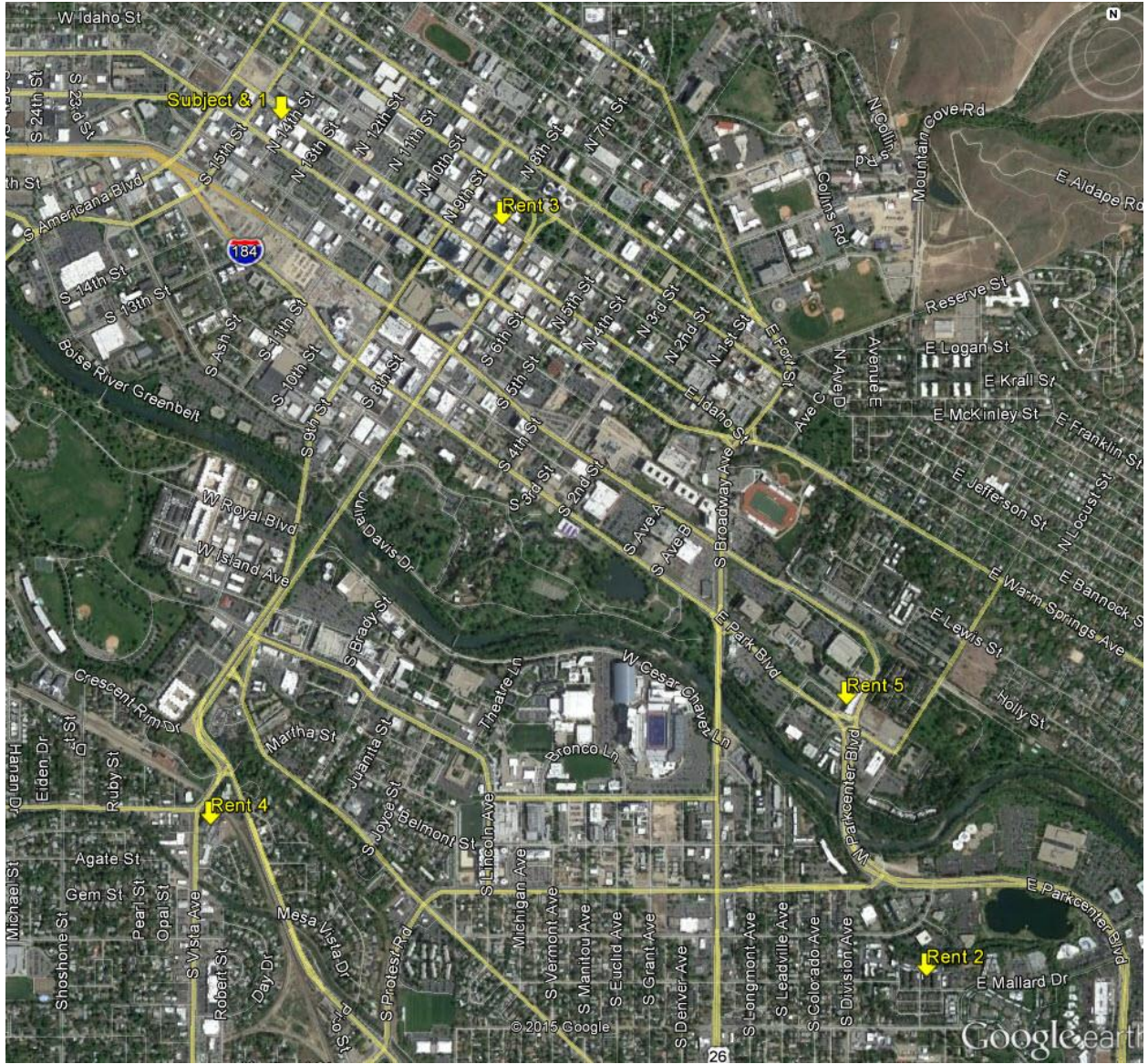
2BR/2BA Apartment Rent Comparable Summation Table



	Subject Data	Subject & 1 Data Adjust	2 Data Adjust	3 Data Adjust	4 Data Adjust	5 Data Adjust	
Location							
Project Name	Watercooler Apartments	Watercooler Apartments	Logger Creek	The Idaho Building	Depot Lofts	The 951 Apartments	
Address	1401 & 1413 W. Idaho St.	1401 & 1413 W. Idaho St.	332 Hale St.	280 N. 8th St.	314 S. Vista Ave.	951 E. Front Street	
Town/City	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	
General Location	Good	Good	Inferior \$100	Superior (\$25)	Inferior \$125	Inferior \$75	
Physical Characteristics							
Type of Project	Mixed-use (apartments/commercial)	Mixed-use (apartments/commercial)	Walk-up apartment	Mixed-use (apartments/commercial)	Walk-up apartment	Mixed-use (apartments/commercial)	
# of Stories	3-story	3-story	3-story	6-story	3-story	4-story	
Tot. Units in Project	37	37	112	50	24	61	
# of Units this Type	8	8	48	3	6	5	
Eff. Date of rental	1/17 (mkt appreciation +3%/yr)	1/17 projections	9/15 \$42	9/15 \$60	9/15 \$38	9/15 \$42	
Current Occupancy	n/a; proposed	n/a	96%	96%	100%	97%	
Data Source	n/a; proposed	Developer	Property manager	Property manager	Property manager	Property manager	
Year Built	To be completed January 1, 2017	To be completed Jan. 1, 2017	2002	1910; renovated 1989	2014	2015	
Age/Condition	New at completion	New at completion	Average \$100	Good (top floor units) \$75	Very good to new \$20	New	
Quality/Appeal	Good	Good	Average \$50	Good	Average \$50	Good	
Apartment Size (SF)	780	780	1,086 (\$111)	890 (\$69)	990 (\$76)	910 (\$56)	
Number of Bedrooms	2	2	2	2	2	2	
Number of Baths	2	2	2	2	2	2	
Number of Floors	1	1	1	1	1	1	
Features/Amenities							
Base Utilities Included in Rent	None	None	None	Water, sewer, trash, heat (\$75)	Water, sewer, trash (\$35)	None	
Cable Television Included	No	No	No	No	No	No	
Balcony/Patio	No	No	Balcony/patio (\$15)	No	No	Balcony/patio (\$25)	
Parking	None (leased separately)	None (leased separately)	Open (\$20)	Leased separately (adjacent)	Carport (\$40)	Carport (\$40)	
Kitchen Appliances	Refrigerator, oven/range, microwave, dishwasher	Similar	Similar	Similar	Similar	Similar	
Other Unit Amenities:							
Heating/Cooling	GFA/CAC	GFA/CAC	EFA/CAC	Geothermal/CAC	GFA/CAC	GFA/CAC	
In-Unit Washer/Dryer	Yes	Yes	Yes	None; no hook ups \$55	No, has hook-ups \$25	Yes	
Fireplace	No	No	No	No	No	No	
Floor Location/View	Good, avg. unit	Good, avg. unit	Similar	Superior (top floor) (\$75)	Similar	Similar	
Project Amenities	None	None	None	None	None	None	
Other	None	None	None	None	None	None	
Rent Range	Assume Market	\$1,300	\$1,095-\$1,165	\$1,600-\$1,625	\$1,000-\$1,025	\$1,125-\$1,125	
Standard Rent @ Turnover	Assume Market	\$1,300	\$1,125	\$1,600	\$1,025	\$1,125	
Rent/S.F	Assume Market	\$1.67	\$1.04	\$1.80	\$1.04	\$1.24	
Net Adjustments			\$0	\$146	(\$54)	\$107	(\$4)
Adjusted Market Rent		\$1,300	\$1,271	\$1,546	\$1,132	\$1,121	
Adjusted Market Rent/SF		\$1.67	\$1.17	\$1.74	\$1.14	\$1.23	

Adjusted Comparable Rent Summary			
Comparative Unit	Min	Max	Average
Per Unit	\$1,121	\$1,546	\$1,274
Per SF	\$1.14	\$1.74	\$1.39

RENT COMPARABLE MAP



Market Rent Conclusions - The following table summarizes the adjusted rents for the base unit types:

Adjusted Base Comparable Rent Summary			
<u>Unit Type</u>	<u>Min</u>	<u>Max</u>	<u>Average</u>
1BR/1BA	\$956	\$1,181	\$1,060
2BR/2BA	\$1,121	\$1,546	\$1,274

1BR/1BA (Base Unit) - After adjustments, the comparables bracket a supportable range from \$956 to \$1,181, with an average of \$1,060. The best comparable is Comparable 2 (\$1,181), an average unit in the Owyhee Plaza Apartments. The Owyhee Plaza Apartments were developed in 2014 (converted from hotel units); the units are new. The project is located three blocks southeast of the subject. Developer pricing is within the comparable range and similar to the average rental rate in the Owyhee Plaza Apartments. Developer pricing is considered to be representative of market. Thus, average market rent for the subject 1BR/1BA units is concluded at \$1,150.

2BR/2BA (Base Unit) - After adjustments, the comparables bracket a supportable range from \$1,121 to \$1,546, with an average of \$1,274. At \$1,300, developer pricing is near the average of the comparable range and is considered to be representative of market. Thus, average market rent for the subject 2BR/2BA units is concluded at \$1,300.

3BR/2BA Units - The 3BR/2BA units are 270 square feet larger than the 2BR/2BA base unit. Considering the larger size, the rent difference attributable to the size difference is applied at 30% of the 2BR/2BA base unit, resulting in an adjusted rate of \$1,435 ($270\text{sf} \times \$1.67/\text{sf} \times 0.30 = \135 rent premium). At \$1,425, developer pricing is similar and is concluded to be representative of market. Thus, average market rent for the subject 3BR/2BA units is concluded at \$1,425. Note, the size adjustment accounts for the additional bedroom versus the base unit.

Live/Work Units - The live/work units are 197 square feet larger than the 2BR/2BA base unit. Considering the moderately larger size, the rent difference attributable to the size difference is applied at 35% of the 2BR/2BA base unit, resulting in an adjusted rate of \$1,415 ($197\text{sf} \times \$1.67/\text{sf} \times 0.35 = \115 rent premium). In addition, an adjustment for appeal is warranted for the live/work units. These units are 2-story (loft) with vaulted ceilings, 2-story glass window fronts, and front landscaped areas. A rent premium of \$75 above the base unit was applied, resulting in an overall adjusted rate of \$1,490 ($\$1300 + \$115 + \75). Developer pricing at \$1,600 is moderately higher than currently supported in the market. Because the live/work units have a design which could accommodate either typical apartment use or live/work use, we have given some weight to developer pricing in estimating market rent. As a result, average market rent for the subject live/work units is concluded at \$1,525.

Studio Units - Although the studio units lack an enclosed bedroom, the primary factor influencing market rent is size. The studio units are 150 square feet smaller than the 1BR/1BA base unit. Considering the moderately smaller size, the rent difference attributable to the size difference is applied at 45% of the 1BR/1BA base unit, resulting in an adjusted rate of \$1,030 ($150\text{sf} \times \$1.77/\text{sf} \times 0.45 = \119 lower rent). Developer pricing at \$950 is moderately lower than currently supported in the market. With some weight given to developer pricing, average market rent for the subject studio units is concluded at \$1,000.

Summary - The following table summarizes the preceding conclusion of market rent for the subject units:

Adjustments to Base Rent: Unit Market Rent Conclusions									
<u>Unit Type</u>	<u>Count</u>	<u>Floor</u>	<u>Avg. Size (SF)</u>	<u>Base Conclusion</u>	<u>Adjustment</u>	<u>Adjusted Rent</u>	<u>Adjusted Rent Rnd'</u>	<u>Market Rent Conclusion</u>	<u>Developer Pricing</u>
Live/work	7	1	977	\$1,300	\$190	\$1,490	\$1,490	\$1,525	\$1,600
Studio	6	2/3	500	\$1,150	(\$119)	\$1,031	\$1,030	\$1,000	\$950
1x1	14	2/3	650	\$1,150	\$0	\$1,150	\$1,150	\$1,150	\$1,150
2x2	8	2/3	780	\$1,300	\$0	\$1,300	\$1,300	\$1,300	\$1,300
3x2	2	2/3	1,050	\$1,300	\$135	\$1,435	\$1,435	\$1,425	\$1,425
						\$6,405	\$6,405	\$6,400	\$6,425
						Average	\$1,281	\$1,280	\$1,285
						Minimum	\$1,030	\$1,000	\$950
						Maximum	\$1,490	\$1,525	\$1,600

Potential Gross Income – Commercial Component (Retail Unit)

Introduction – The subject will include a 682 square foot commercial unit on the ground floor. The most probable use for this space is retail, more specifically coffee shop or deli/restaurant use.

Comparable Selection - Six rental comparables were selected for comparison to the subject. Emphasis was placed on location, size, building quality/design, and age/condition in the selections. The comparables are all located the near the subject in the downtown Boise submarket.

Adjustments - When applicable, quantitative adjustments are applied for location and physical characteristics such as age/condition, quality/design, size, and other factors. The adjustments are based on market-derived data from paired rents, construction costs, market participant interviews, and other market indicators. In instances where there is limited market data available, the adjustment is based on the appraiser's estimate of market reaction. The adjustment categories are discussed briefly as follows, and the adjustments are illustrated in the following Rent Comparable Summation Table.

Lease Type – This category considers rent differences attributable to different lease types, such as full service, gross, and net leases. Full service lease rates are typically the highest, because the landlord pays all expenses. Gross leases require the tenant to pay for utility expenses only. Net leases require the tenant to pay for all or most operating expenses.

The valuation of the subject assumes a NNN lease type wherein the tenant is responsible for all or nearly all operating expenses. The comparables all have NNN lease types similar to the subject. No adjustments were warranted.

Market Conditions (Time) - This category accounts for rent differences due to rent changes over time.

After a period of decline due to the economic downturn, rental rates stabilized in 2010 and remained generally flat through 2011 for similar quality buildings. From 2012 to-date, retail rental rates have been appreciating at an estimated rate of +3% per year to-date; that trend is projected herein to continue through the subject construction period. The subject is projected to be complete by January 1, 2017, which is the effective date of value.

Escalations - This category accounts for rent escalations, decreases, or level rent versus what is typical of the market.

The escalations present in the comparable leases, though varying slightly, are representative of market norms and do not appear to have notably impacted the starting lease rate. Thus, no adjustments were warranted.

Concessions- This category considers reduced or free rent which influences the effective rent.

Comparable 1 includes a concession of one month free rent. A downward adjustment of 3% was applied to reflect the effective rent equivalent.

Location - This category considers rent differences attributable to location qualities and desirability. Factors include anchored versus unanchored, immediate neighborhood, traffic counts, visibility, proximity to services, access, etc. Market support for this adjustment is based on paired rents.

The subject has a good location approximately ½ mile west of the center of the downtown pedestrian core. The majority of the comparables are superior to the subject. They are located in or nearer to the center of the downtown pedestrian core. Downward adjustments ranging from 10% to 20% were applied.

Size – This category considers value differences resulting from variances in building and/or tenant size. This category is typically measured by rent differences; larger spaces of similar finish typically exhibit lower rents versus smaller spaces.

The comparables are all reasonably similar to the subject for size; thus, no adjustments were warranted.

Building Quality and Design – This category considers rent differences attributable to variances in building construction quality and design. Market support for these adjustments is based on paired-rents and/or construction cost differences which reflect a rent allocated from cost.

No adjustments were warranted. The comparables are similar to the subject for quality/design.

Age and Condition - This category considers rent differences attributable to variances in building age and condition. Newer buildings typically exhibit higher rents and higher price per square foot sale prices versus older buildings.

The subject is superior to the comparables for age/condition. Based on paired rents, upward adjustments ranging from 10% to 25% were applied.

Parking Ratio – This category considers rent differences attributable to variances in parking ratios. The parking ratio is the number of onsite spaces per 1,000 square feet of rentable area. Adequate onsite parking is a contributing factor to the rental rate in a given building. Buildings with higher onsite parking ratios exhibit higher rents than similar buildings with lower onsite parking ratios.

The comparables are all located in the downtown submarket, which generally requires less or no onsite parking. No adjustments were applied.

Land to Building and Site Improvement Ratio – This category considers rent differences attributable to variances in land to building ratios and site improvements. For office and retail properties, this adjustment is partially accounted for with the parking ratio adjustment.

No adjustments were applied.

Other – This category accounts for any atypical issues.

No adjustments were warranted.

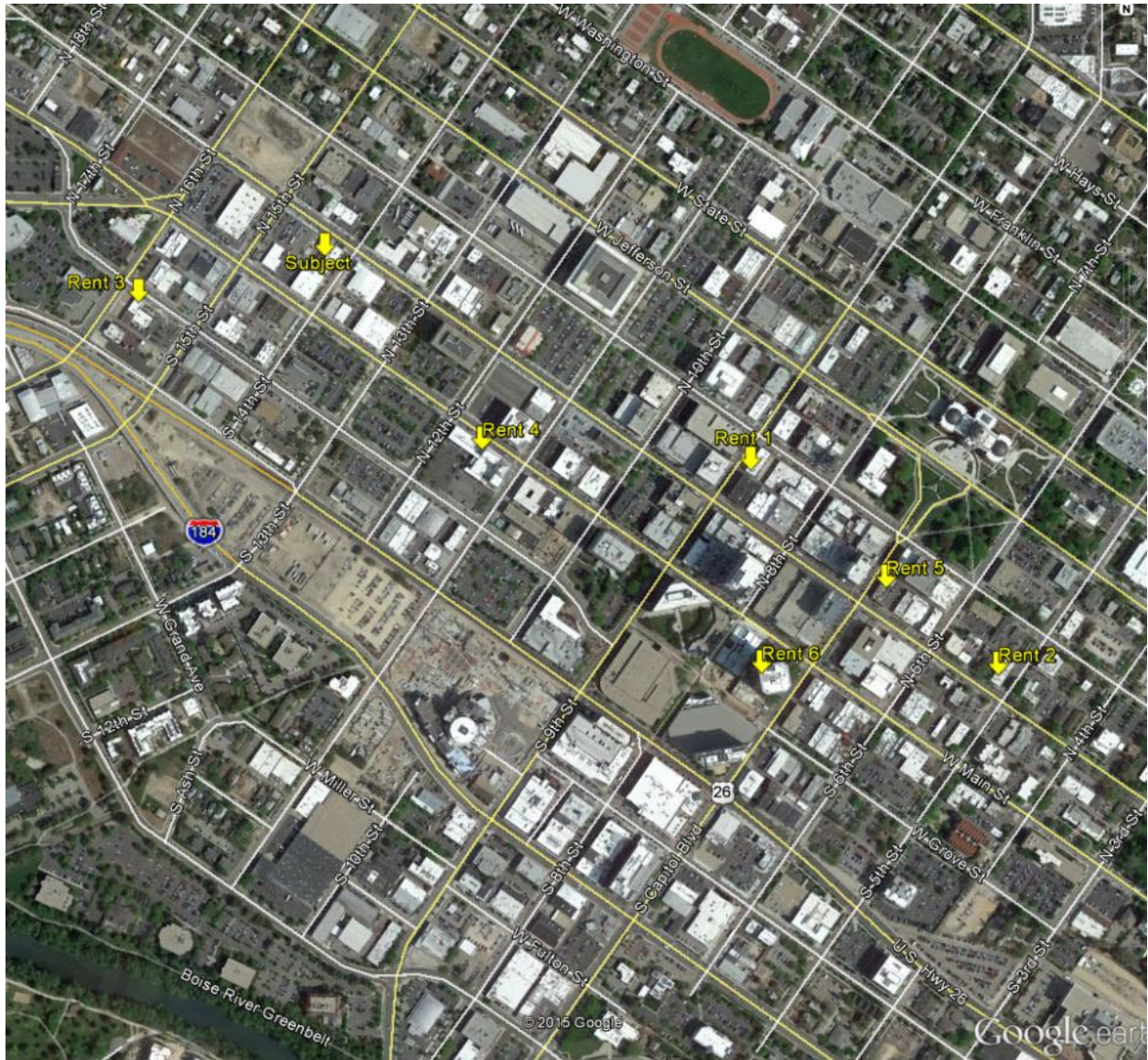
Presentation – Presented on the following pages are the Rent Comparable Summation Table, Rent Comparable Map, the discussion and analysis of the comparables, and conclusion(s) of market rent for the subject.

Rent Comparable Summation Table (Retail)



Location	Subject	1	2	3	4	5	6
Name		Jordan Building "Block 44"	Chandlee Building	Lincoln Building	Owyhee Plaza	Adelmann Building	U.S. Bank Plaza
Address	1401 & 1413 W. Idaho Street	210 N. 9th St.	500 W. Idaho St.	1515-1519 W. Grove Street	1109 W. Main Street	622 W. Idaho St.	101 S. Capitol Blvd.
City & state	Boise, Idaho 83702	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho	Boise, Idaho
Location quality	Good	Superior	Superior	Similar	Superior	Superior	Superior
Property description							
Building type	Mixed-use	Multi-tenant retail	Multi-tenant retail/office	Two-tenant retail/restaurant	Mid-rise multi-tenant office/retail	Low-rise multi-tenant retail/office	High-rise office
Gross building area (sf)	32,250	6,044	12,054	8,825	113,607	17,544	256,208
Tenant size (rsf)	682	1,326	765	2,834	2,891	2,147	415
Building const.: quality & design	Wood fm/ stucco & cement board plank; good	Masonry; avg.	Brick/block; good	Concrete block/brick; avg.	Masonry/reinforced concrete; good	Masonry; good	Concrete and steel; very good
Date built	To be completed 1/1/2017	1937	Built 1905	1972; renovated 2005 & 2011	1910; renov. 1980 & 2014	1902; renovated in 2008	1978; renovated in 2005
Age & condition at lease start	0 years; new	25-30 years eff. age; avg.	20 years eff. age; avg.	15-20 years eff age;avg.	10 yrs eff age/interior new; good	20 yrs eff age; avg.	20 yrs eff. age; avg.
Parking ratio (Spaces per 1,000 rsf)	Leased seperately	None	None	4.4	None; leased seperately	None	Paid parking in garage
Land size (usable acre)	0.47	0.28	0.28	0.70	1.67	0.14	2.14
Land size (usable sf)	20,640	12,197	12,197	30,500	72,708	6,098	93,218
Land to building ratio	0.6	2.0	1.0	3.5	0.6	0.3	0.36
Lease description							
Data source	n/a	DP: Angie Emmons, TOK	JV: Angie Emmons, TOK	Lease contract	Lease contract	Angie Emmons: TOK	JV: Rent Roll
Lessor	n/a	--	--	--	--	--	--
Lessee	n/a	Ye Olde Sweet Shoppe	Guido's New York Style Pizza	Azure Hair Salon	Beehive Salon	Boise Fry Co.	Deli at the Grove
Lease start date	Eff. date of appraisal (1/17)	1/15	10/14	7/14	7/14	4/14	1/13
Lease type	NNN	NNN	NNN	NNN	NNN	NNN	NNN
Lease term	Typical	3 years	5 yrs.	3 years	5 yrs	5 years	3 years
Escalations	Typical	Unk	+2.5%/yr	Flat	+3%/yr	+2%/yr	%1.25/year
Renewal options	n/a	2 year option w/ 2% increases	1- 3 yr	1- 3 yr	1- 5 yr	3- 5 yr.	Unk
Concessions	None	1 mo free rent	None	None	None	None	None
Tenant improvement allowance	n/a	None	None	None	Est. \$40/usf	\$10/sf	None
Comments		Asking rate was \$14/sf		Renewal		Interior renovated	20-story building in downtown core; what floor; tenant located on main level
Financial indicators							
Rent/rsf	Market	\$10.26	\$19.08	\$11.90	\$15.00	\$17.75	\$15.87
Adjustments	Adjustment notes						
Lease type	NNN No adjust. necessary	NNN 0%	NNN 0%	NNN 0%	NNN 0%	NNN 0%	NNN 0%
Rent adjusted to subject's lease type		\$10.26	\$19.08	\$11.90	\$15.00	\$17.75	\$15.87
Market conditions (Time)	Eff. date of appraisal (1/17) +3%/yr thru 1/17	1/15 6%	10/14 7%	7/14 7%	7/14 7%	4/14 8%	1/13 12%
Escalations	Typical No adjust. necessary	Unk 0%	+2.5%/yr 0%	Flat 0%	+3%/yr 0%	+2%/yr 0%	%1.25/year 0%
Concessions	None Eff. rent equivalent	1 mo free rent -3%	None 0%	None 0%	None 0%	None 0%	None 0%
Location	Good Paired rents	Superior -10%	Superior -20%	Similar 0%	Superior -10%	Superior -20%	Superior -20%
Tenant size (rsf)	682 No adjust. necessary	1,326 0%	765 0%	2,834 0%	2,891 0%	2,147 0%	415 0%
Building quality & design	Wood fm/ stucco & cement board plank; good No adjust. necessary	Masonry; avg. 0%	Brick/block; good 0%	Concrete block/brick; avg. 0%	Masonry/reinforced concrete; good 0%	Masonry; good 0%	Concrete and steel; very good 0%
Age & condition	0 years; new Paired rents	25-30 years eff. age; avg. 25%	20 years eff. age; avg. 20%	15-20 years eff age;avg. 20%	10 yrs eff age/interior new; good 10%	20 yrs eff age; avg. 15%	20 yrs eff. age; avg. 20%
Parking ratio	Leased seperately No adjust. necessary	None 0%	None 0%	4.4 0%	None; leased seperately 0%	None 0%	Paid parking in garage 0%
Land & site improvement ratio	0.6 No adjust. necessary	2.0 0%	1.0 0%	3.5 0%	0.6 0%	0.3 0%	0.4 0%
Other	No adjust. necessary	0%	0%	0%	0%	0%	0%
Net adjustment		18%	7%	27%	7%	3%	12%
Indicated subject rent/rsf		\$12.08	\$20.32	\$15.14	\$16.09	\$18.28	\$17.73

RENT COMPARABLE MAP



Discussion of Rent Comparables/Market Rent Conclusion (Retail Unit)

Prior to adjustment, the comparable rents ranged from \$10.26 to \$19.08 per square foot. The rent differences are primarily attributable to location and age/condition. After adjustment, the comparables bracket market rent for the subject in a range of \$12.08 to \$20.32, with an average of \$16.61 per square foot NNN. All of the comparables are good indicators for estimating market rent for the subject. The comparables are located in similar buildings in the downtown Boise submarket. Considering the subject will have outdoor patio seating, **market rent for the subject retail unit is concluded to be \$17.00 per square foot NNN.**

Other/Miscellaneous Income – Other/miscellaneous income includes utilities reimbursement income, storage income, revenue from credit report income, late fees, month-to-month fees, lease termination fees, forfeited security deposits, and past tenant collections. Based on the comparables presented in the table below, revenue generate from these sources is concluded near the mid-tier of the comparable range at \$450 per unit per year.

Miscellaneous Income Comparables										
Project	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Location	Boise, ID	Boise, ID	Boise, ID	Boise, ID	Nampa, ID	Boise	Meridian, ID	Boise, ID	Meridian	Boise
Income Year	2014	Jul-13 to June-14	2013	2013	2013	2013	2012	2012	2012	2012
# Units	200 to 250	100 to 150	50 to 100	250 to 300	100 to 150	250 to 300	150 to 200	250 to 300	150 to 200	250 to 300
Other Income	\$58,483	\$28,954	\$28,094	\$134,456	\$63,844	\$134,456	\$56,116	\$152,028	\$56,116	\$152,028
Per Unit/Year	240	\$211	\$375	\$480	\$491	\$480	\$328	\$469	\$570	\$469

Parking Income – Our conclusion of market rent excludes parking income. The subject will have 29 spaces (17 open, 12 carport) available for lease. Monthly rates for surface parking outside the immediate downtown core generally range from \$35 to \$85 a month (see table below). The upper-tier of the range represents lots located nearer the downtown pedestrian core adjacent to mid-to-high-rise office buildings and higher density retail, restaurant, and tavern areas. The lower-tier of the range represents lots located in peripheral downtown areas outside the pedestrian core. Considering the subject's peripheral downtown location, market rent for the subject open parking spaces is concluded near the lower-tier of the range at \$40 per month. A premium of \$20 is applied to carport spaces, resulting in a market rent at \$60 per month.

Downtown Boise Parking Survey Oct. 2015				
Operator	Lot Name	Location	Monthly Rate	
Republic	12th & Grove	1201 W. Grove St.	\$75	
Republic	Grove St	10th & Grove	\$85	
Republic	5th & Idaho	5th & Idaho	\$80	
Republic	416 W. Idaho	416 W. Idaho	\$75	
Republic	Tablerock	500 Capitol Blvd	\$75	
Republic	10th & State	10th & State	\$85	
Republic	8th & River	810 W. River St.	\$40	
Republic	6th & Jefferson	320 N. 6th St.	\$80	
Republic	5th & Front	520 W. Front St.	\$85	
The Car Park	Venue	5th & Broad	\$85	
The Car Park	Fulton	848 Fulton St.	\$70	
The Car Park	21-Convention Centre	1205 W. Front St.	\$50	
The Car Park	57*Miller Lot	10th & Miller	\$70	
The Car Park	60-G Lot	4th & Bannock	\$60	
The Car Park	62-Washington	590 Washington St.	\$35	
The Car Park	32-A-1	1204 Front St.	\$50	
The Car Park	Home Federal	800 W. State St.	\$80	
The Car Park	Boise Plaza South	11th & Idaho	\$80	
The Car Park	Boise Plaza	10th & Bannock	\$80	
			Minimum	\$35
			Maximum	\$85
			Average	\$71

Considering not all the apartment users will need or want to rent a parking space, we estimate that 85% or 25 units will lease a parking space.

Estimated Vacancy and Collection Loss

The vacancy and credit loss reflects the estimate of lost rent versus scheduled rent. This includes lost revenue due to vacancies as well as credit loss (non-payment by tenants). The estimate of vacancy and credit loss is over the economic life of the property, and is not over a short term. It also includes "vacancy lag", which is the time necessary to release space after a vacancy occurs. The subject's stabilized occupancy level over the long term will likely mirror market averages. This is attributable to normal tenant turnover and shifts in supply and demand. Based on historical vacancies in the local market, a stabilized vacancy rate of 5% is concluded for subject.

Operating Expenses

To estimate operating expenses, we have relied upon expense comparables from the market, with an emphasis placed on generally newer and similarly sized complexes. Six expense comparables are summarized in the table below, with more detailed descriptions provided on the following pages.

EXPENSE COMPARABLES									
	Comparable 1			Comparable 2			Comparable 3		
Name	Confidential			Confidential			Confidential		
Type	Conventional Family			Conventional Family			Conventional Family		
Location	Meridian, ID			Boise, ID			Boise, ID		
Year Built	2009			2004			2002		
Number of Units	175			32			84		
Expense Year	2012			2011			2011		
EGI	\$1,643,830			\$238,463			\$739,751		
	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>
Real Estate Taxes	\$176,750	\$1,010	10.8%	\$28,506	\$891	12.0%	\$93,895	\$1,118	12.7%
Insurance	\$9,625	\$55	0.6%	\$3,072	\$96	1.3%	\$8,072	\$96	1.1%
Utilities	\$100,975	\$577	6.1%	\$10,344	\$323	4.3%	\$33,400	\$398	4.5%
Repairs & Maintenance	\$162,050	\$926	9.9%	\$23,019	\$719	9.7%	\$53,682	\$639	7.3%
Payroll	\$94,850	\$542	5.8%	\$15,975	\$499	6.7%	\$48,340	\$575	6.5%
Professional Management	\$49,700	\$284	3.0%	\$11,925	\$373	5.0%	\$36,988	\$440	5.0%
Turnover Costs	\$0	\$0	0.0%	\$2,574	\$80	1.1%	\$30,563	\$364	4.1%
Advertising	\$21,525	\$123	1.3%	\$0	\$0	0.0%	\$0	\$0	0.0%
Miscellaneous Admin.	\$23,975	\$137	1.5%	\$11,363	\$355	4.8%	\$16,295	\$194	2.2%
Reserves For Replacement	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
TOTAL	\$639,450	\$3,654	38.9%	\$106,778	\$3,337	44.8%	\$321,234	\$3,824	43.4%
	Comparable 4			Comparable 5			Comparable 6		
Name	Confidential			Confidential			Confidential		
Type	Conventional Family			Conventional Family			Conventional Family		
Location	Meridian, ID			Boise, ID			Meridian, ID		
Year Built	2012			1990			2012		
Number of Units	25			32			48		
Expense Year	2012			2010			2014		
EGI	\$237,450			\$221,528			\$499,667		
	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>	<u>Annual</u>	<u>Per Unit</u>	<u>% of EGI</u>
Real Estate Taxes	\$24,350	\$974	10.3%	\$29,382	\$918	13.3%	\$60,000	\$1,250	12.0%
Insurance	\$2,875	\$115	1.2%	\$3,680	\$115	1.7%	\$7,344	\$153	1.5%
Utilities	\$7,200	\$288	3.0%	\$16,524	\$516	7.5%	\$24,672	\$514	4.9%
Repairs & Maintenance	\$20,775	\$831	8.7%	\$29,981	\$937	13.5%	\$52,080	\$1,085	10.4%
Payroll	\$10,100	\$404	4.3%	\$9,301	\$291	4.2%	\$0	\$0	0.0%
Professional Management	\$14,425	\$577	6.1%	\$11,297	\$353	5.1%	\$25,680	\$535	5.1%
Turnover Costs	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	\$0	0.0%
Advertising	\$250	\$10	0.1%	\$1,743	\$54	0.8%	\$14,400	\$300	2.9%
Miscellaneous Admin.	\$950	\$38	0.4%	\$6,314	\$197	2.9%	\$4,944	\$103	1.0%
Reserves For Replacement	\$6,250	\$250	2.6%	\$0	\$0	0.0%	\$10,320	\$215	2.1%
TOTAL	\$87,175	\$3,487	36.7%	\$108,222	\$3,382	48.9%	\$199,440	\$4,155	39.9%

Our expense conclusions are discussed on the following pages:

EXPENSE ANALYSIS & CONCLUSIONS

Real Estate Taxes

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$891	to	\$1,250
Levy Rate			1.6871%
Per Unit Conclusion			\$1,855
Annual Conclusion			\$70,500

Analysis

Projected assessment was based on assessment comparables of apartment buildings located in the downtown Boise market and in newer complexes in Ada County (refer to page 22 of this report). Average assessed value for the subject units was estimated at \$110,000 unit. Taxes were based on the 2015 levy rate of 1.6871%. Assessed values and subsequent property taxes for downtown area apartment buildings are higher than the suburban apartment comparables on a per unit basis.

Insurance

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$55	to	\$153
Per Unit Conclusion			\$250
Annual Conclusion			\$9,500

Analysis

Based on the subject finish quality, small unit sizes, and overall project size, the insurance expense for the subject is projected to be \$250 per unit, above the comparable range.

Utilities

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$288	to	\$577
Per Unit Conclusion			\$450
Annual Conclusion			\$17,100

Analysis

The subject utilities expense is concluded to be \$450 per unit, which accounts for utilities expenses incurred during turnover.

Maintenance and Repairs

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$639	to	\$1,085
Per Unit Conclusion			\$700
Annual Conclusion			\$26,600

Analysis

This includes all maintenance and repair costs, including landscaping and turnover costs. It also includes parking lot maintenance for 29 spaces. Based on such factors as age, quality, condition, unit size, and landscaping (which is minimal), a unit expense below the mid-tier of the range is concluded at \$700 per unit.

Payroll (Onsite Manager)

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$0	to	\$1,085
Per Unit Conclusion			\$0
Annual Conclusion			\$0

Analysis

The subject is projected to have a part-time on-site manager; this expense is loaded in the professional management expense.

Professional Management

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	3.0%	to	6.1%
Total Management Fee			9.0%
Annual Conclusion			\$50,500

Analysis

Professional management fees vary based primarily on size, condition, and rent levels. A typical range would be 3.0% to 6.0% of effective gross income, trending in the higher end of the range for smaller projects. Because we are including a part-time on-site manager, professional management expense is concluded above the upper-tier of the range at 9.0% of effective gross income. This expense also includes management expense associated with the parking spaces.

General/Administrative/Misc.

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$38	to	\$355
Per Unit Conclusion			\$250
Annual Conclusion			\$9,500

Analysis

This consists of miscellaneous administrative expenses, bank charges, credit check fees, and job related expenses for staff, etc. This expense for the subject is projected to be near the mid-tier of the comparable range at \$250 per unit.

Advertising

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$0	to	\$300
Per Unit Conclusion			\$80
Annual Conclusion			\$3,040

Analysis

The valuation assumes the subject is at stabilized occupancy. The advertising expense is projected to be \$80 per unit to account for any turnover.

Replacement Reserves

	<u>Ranges/Conclusion</u>		
Expense Comparable Range	\$0	to	\$250
Per Unit Conclusion			\$300
Annual Conclusion			\$11,400

Analysis

Reserves for replacement are not typical annual cash expenditures, but rather, the annualized cost of major expenses incurred for repair and replacement of items, such as roof systems, carpeting, appliances, etc. Typical market allowances for replacement reserves range from \$250 to \$500/unit per year for properties similar in age and condition. Based on the subject's age/quality, condition, and smaller average unit size, a unit value of \$300 is concluded.

Summary

	<u>Ranges/Conclusion</u>		
Expense Comps - Per Unit	\$3,337	to	\$4,155
Expense Comps - % of EGI	36.7%	to	48.9%
Total Expense Per Unit			\$5,214
Expense Ratio			34.9%

Analysis

The forecasted per unit operating expenses for the subject are higher than for typical apartment units on a per unit basis. This is largely due to higher property taxes, management fees, and the assumption of a funded replacement reserve. The subject expense ratio is near the lower-tier of the range of comparables. This is reasonable given the subject's age, quality, condition, and higher projected rents. Overall, the expenses are deemed appropriate for use in this analysis.

TOTAL CONCLUDED EXPENSES \$198,140

Direct Capitalization

The next step in the Income Capitalization Approach is capitalization of net income into an expression of value. Direct capitalization is a method used to convert a single year's income estimate into a value indication. This conversion is accomplished in one step by dividing the income estimate by an appropriate income capitalization rate. In direct capitalization no precise allocation is made between the return on and the return of capital because the method does not simulate investor assumptions or forecasts concerning the holding period, the pattern of income, or changes in value of the original investment. However, a satisfactory rate of return for the investor and recapture of the capital invested are implicit in the capitalization rates applied in direct capitalization because they are derived from similar investment properties.

The income capitalization rates reflect the relationship between income and value and are derived from market data. It is essential that the properties used as comparables reflect risk, income, expense, and physical and location characteristics that are similar to the property being appraised. Consequently, capitalization rates must be extracted from properties that reflect similar income-expense ratios, risk characteristics, and expectations as to change in income and value over a typical investment-holding period.

In this analysis, the basic formula for direct capitalization is net annual income divided by overall rate of return (RO) equals value. Various techniques are available to determine appropriate overall rates. These include:

1. derivation from comparable sales
2. derivation from effective gross income multipliers
3. band of investment – mortgage and equity components
4. band of investment – land and building components
5. the debt coverage formula

The derivation from comparable sales method was employed to estimate an appropriate capitalization rate for the subject. The analysis is supplemented by data compiled by the latest Real Estate Research Corporation (RERC) Survey.

Capitalization Rate Derivation from Comparable Sales – The capitalization rate comparables, presented in the following table, include recent confirmed sales of apartment complexes in the local market. Note, in some instances the project names and addresses are redacted for confidentiality purposes, but will be provided to the client if requested. The capitalization rates were calculated using actual scheduled rent, less a vacancy allowance, and actual or appraiser estimated stabilized operating expenses to conclude net operating income.

Capitalization Rate Comparables							
<u>Count</u>	<u>Name</u>	<u>Location</u>	<u># Units</u>	<u>Year Built</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>Rate</u>
1	Crossfield Apartments	Meridian, ID	80	2012	Pending	\$9,600,000	5.53%
2	Confidential	Boise, ID	48	1991	May-15	\$3,625,000	6.31%
3	Confidential	Boise, ID	324	1996	Nov-14	\$29,750,000	5.28%
4	Aspen Creek Apartments	Nampa, ID	112	2013-2014	Nov-13 to Oct-14	\$12,991,720	5.63%
5	Confidential	Boise, ID	68	1993	Sep-14	\$5,315,000	6.00%
6	Confidential	Boise, ID	16	1997	Aug-14	\$1,853,000	5.90%
7	Monterra Townhomes	Boise, ID	148	1995	Jul-14	\$19,000,000	5.69%
8	Table Rock Apartments	Boise, ID	16	1997/2002	Jul-14	\$1,853,000	5.50%
9	Confidential	Eagle, ID	88	1995	Mar-14	\$7,296,000	5.50%
10	Confidential	Boise, ID	300	1995	Dec-13	\$25,000,000	6.28%
11	Confidential	Boise, ID	70	1968 & 1972	Dec-13	\$3,400,000	6.87%
12	Clearwater Apartments	Boise, ID	60	1993	Nov-13	\$6,057,500	5.18%
13	Confidential	Boise, ID	20	1993	Oct-13	\$1,300,000	5.93%
14	Confidential	Meridian, ID	171	2009	Mar-13	\$16,650,000	6.30%
15	Confidential	Boise, ID	60	1978	Mar-13	\$2,908,000	6.51%
16	Confidential	Meridian, ID	48	2012	Feb-13	\$4,795,000	6.46%
Mean							5.93%
Median							5.92%
Minimum							5.18%
Maximum							6.87%

In concluding a capitalization rate for the subject property, a bracketing process is used reflecting the superior or inferior income producing characteristics of each sale versus the subject. The comparables indicate a range from 5.18% to 6.87%, with a mean and median of 5.93% and 5.92% respectively. The most recent sales indicate a declining trend. The 2013 sales exhibit an average capitalization rate of 6.22%. The 2014-2015 sales exhibit a lower average capitalization rate of 5.70%.

The economic downturn and tightening of lending requirements resulted in a decreased number of potential buyers and transactions, which influenced capitalization rates upward from 2008 through mid-to-late 2010. The gap between the expectations of buyers and sellers had also been a factor in limiting the number of transactions. In 2010 as the economy began to recover, capitalization rates stabilized and in mid-to-late 2010 rates began a declining trend across most property types; this declining trend has continued to date. Regarding timing, interest rates remain near historically low levels.

The primary factors influencing the overall capitalization rates are location (including identity/exposure), age, quality, condition, appeal, occupancy rates, rental rates (with respect to market levels), and the perceived risk in the property. Newer, good quality and well-located facilities with nationally recognized tenants typically exhibit the lowest rates. In contrast, older, lesser quality facilities with average to below average locations and a local tenant mix exhibit higher rates.

The following factors were considered in our selection of a capitalization rate for the subject.

- The subject has a good location approximately ½ mile west of the center of the downtown pedestrian core. The subject is a part of the downtown Boise submarket, which historically outperforms most other submarkets in the Boise MSA.
- The subject will be of good quality and design, and will be new at completion.
- The subject’s unit mix is typical of competing complexes in the local market. The one retail unit is a complementary use for the project.
- Market rents are concluded to form the upper-tier of the market. Thus, sustaining these higher rents long-term increases investment risk.

Considering the aforementioned factors, an appropriate capitalization rate near the mid-tier of the current range is concluded at **5.8%**.

RERC Survey Data - The market sales and mortgage/equity analyses are supplemented by data compiled by the Real Estate Research Corporation (RERC) Survey. Capitalization rate data compiled by the Real Estate Research Corporation (RERC) surveys (1st Quarter 2015) were analyzed as a final indication of reasonableness for the capitalization rate selected. National western region 1st-tier investment market capitalization rate data is summarized in the following table. Apartment represents the most similar property category to the subject contained within the RERC surveys.

Regional Investment Criteria - 2Q 2015 First-Tier ¹ Investment Properties											
	Office		Industrial			Retail			Apartment	Student Housing	Hotel
	CBD	Suburban	Warehouse	R&D	Flex	Regional Mall	Power Center	Neigh/Comm			
West Investment Criteria											
Pre-tax Yield (IRR) (%)											
Range	6.0 - 10.0	6.3 - 11.0	5.8 - 11.0	6.4 - 11.0	6.4 - 11.0	5.8 - 10.0	6.0 - 10.0	6.0 - 10.0	5.0 - 10.0	5.8 - 10.5	7.0 - 12.0
Average	8.3	8.8	8.4	8.7	8.7	7.9	8.1	8.2	7.3	8.1	9.3
Going-In Cap Rate (%)											
Range	4.8 - 9.0	5.0 - 9.0	5.0 - 9.0	5.0 - 9.0	5.5 - 9.0	4.5 - 9.0	5.0 - 9.0	5.0 - 9.0	4.0 - 8.5	4.0 - 9.0	5.0 - 9.0
Average	6.6	7.0	6.7	6.9	7.0	6.5	6.7	6.9	5.5	6.4	7.4
Terminal Cap Rate (%)											
Range	5.5 - 10.0	6.0 - 10.0	5.5 - 10.0	5.5 - 10.0	6.0 - 10.0	5.3 - 10.0	5.5 - 10.0	5.5 - 10.0	4.3 - 9.0	5.0 - 10.0	6.5 - 10.0
Average	7.2	7.6	7.4	7.6	7.8	7.2	7.3	7.5	6.2	6.9	8.1

The RERC survey indicates a range of 4.0% to 8.5% with an average of 5.5% for apartment capitalization rates within the national western region 1st-tier market. Our capitalization rate conclusion of 5.8% is near the mid-tier of the range, lending further support to the analysis.

Income Capitalization Approach Conclusion – Upon Stabilization

The final step is to summarize the previously estimated income and expense figures, and then capitalize the net operating income into an indication of value. The Direct Capitalization Summation Table is presented following, concluding Market Value: Upon Stabilization via the Income Capitalization Approach.

Income Capitalization Summation Table						
Income	Qty	Size (SF)	Total Size (SF)	Rent/Mo.	Rent/SF/MO	Annual Total
Market Rent: Live/work units	7	977	6,840	\$1,525	\$1.56	\$128,100
Market Rent: Studio units	6	500	3,000	\$1,000	\$2.00	\$72,000
Market Rent: 1x1 units	14	650	9,100	\$1,150	\$1.77	\$193,200
Market Rent: 2x2 units	8	780	6,240	\$1,300	\$1.67	\$124,800
Market Rent: 3x2 units	2	1,050	2,100	\$1,425	\$1.36	\$34,200
Market Rent: Commercial Unit	<u>1</u>	<u>682</u>	<u>682</u>	<u>\$966</u>	<u>\$1.42</u>	<u>\$11,594</u>
Potential Gross Rent	38	736	27,962	\$1,237	\$1.68	\$563,894
Other Income: Parking \$48/mo blended x 29 spaces x 85%						\$14,198
Other Income: Utilities reimbursements, storage income, late fees, pets fees, etc. (\$450/unit)						<u>\$17,100</u>
Potential Gross Income						<u>\$595,192</u>
Less: Vacancy & Collection Loss (5% of Potential Gross Rent)						<u>(\$28,195)</u>
Effective Income						\$566,998
Expenses			% EGI	Total/Unit	Total/SF	Annual Total
Real Estate Taxes			12.4%	\$1,855	\$2.52	\$70,500
Insurance			1.7%	\$250	\$0.34	\$9,500
Utilities			3.0%	\$450	\$0.61	\$17,100
Repairs & Maintenance			4.7%	\$700	\$0.95	\$26,600
Professional Management/Payroll			8.9%	\$1,329	\$1.81	\$50,500
General/Administrative			1.7%	\$250	\$0.34	\$9,500
Advertising			0.5%	\$80	\$0.11	\$3,040
Replacement Reserves			<u>2.0%</u>	<u>\$300</u>	<u>\$0.41</u>	<u>\$11,400</u>
Total Expenses			34.9%	\$5,214	\$7.09	\$198,140
Net Operating Income			65.1%	\$9,707		\$368,858
Valuation of Income	NOI	Divided by		Cap Rate		Value
Value	\$368,858	÷		5.80%		\$6,359,616
Income Capitalization Approach Conclusion, Fee Simple Market Value: Upon Stabilization						\$6,360,000

Market Value: Upon Stabilization Sales Comparison Approach

Methodology

This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. In this approach, an indication of market value is developed by analyzing closed sales, listings, or pending sales of properties similar to the subject property, using the most relevant units of comparison. The primary unit of comparison selected depends on the appraisal problem and nature of the property. A systematic procedure for applying the Sales Comparison Approach includes the following steps:

1. Research and verify transactional data to produce an adequate, reliable data set.
2. Select a relevant unit of comparison; the primary unit of comparison in the market for properties such as the subject is price per unit.
3. Analyze and adjust the comparable sales for differences in various elements of comparison and physical/location characteristics.
4. Reconcile the sales into an indication of value for the subject.

Comparable Selection

No sales of similar downtown apartments are available for comparison. Therefore, we have processed this approach using the most recent confirmed sales of suburban garden style projects located in the Boise MSA. The comparables all require significant adjustments. As a result, this approach provides a less reliable conclusion of market value versus the Income Capitalization Approach.

For this analysis, we have utilized the five most recent applicable sales occurring in the Boise MSA. The sales occurred between November 2013 and October 2014; one sale is pending to close near-term. The comparables range in size from 16 to 148 units and were built between 1993 and 2014.

Elements of Comparison

Real Property Rights Conveyed - This adjustment accounts for the real property rights attached to a property, such as a lease contract or deed restrictions. No adjustments warranted.

Financing Terms - This adjustment category accounts for payment terms, such as a cash transaction or a financed transaction. No adjustments warranted.

Conditions of Sale - This adjustment category accounts for any impact to a property's sale price attributable to atypical buyer or seller motivation. No adjustments warranted.

Expenditures After Purchase - This adjustment category accounts for any expenditures that will have to be made upon purchase of the property because these costs affect the price the buyer agrees to pay. No other adjustments warranted.

Non-Realty Components - This adjustment category accounts for personal property and trade fixtures which were included in the sale. No adjustments warranted.

Market Conditions – Improving market conditions, as evidenced by increasing rents and declining vacancy that is now near a historical low, attractive mortgage rates and increased demand suggest that moderate price appreciation returned in mid-2012. Based on paired sale analysis retained in the appraisers' files, upward adjustments of +8% per year from mid-2012 to-date were applied. The subject is projected to be complete January 1, 2017. The appreciating trend is projected to continue through the construction period, albeit at a more conservative rate estimated herein at +5% per year through January 2017.

Quantitative Adjustments

Quantitative adjustments necessary for such factors as location, age/quality, condition, design, size, unit mix, common use /unit amenities and parking are applied when applicable. These adjustments are based on owner/management responses, paired property analysis and the appraiser's significant experience in the market.

Location – The subject has a superior location versus the comparables. Adjustments are based on differences in rent levels versus the subject and/or overall neighborhood appeal. Upward adjustments were applied ranging from +10% to +20%.

Quality/Appeal – This category accounts for value differences attributable to variances in building construction quality and features. The subject will be of good quality and design. The subject is rated superior versus Comparables 1, 2, 4, and 5, which are all typical garden style walk-up apartment complexes. Upward adjustments of 10% were applied. Comparable 3 is a townhome project with the majority of the units having attached garages. Quality/appeal is rated similar to the subject.

Effective Age and Condition - This category considers value differences attributable to variances in building age and condition. Newer buildings of similar finish and location quality typically command higher price per unit sale prices versus older buildings. The subject will be new at completion and is superior to the comparables. The adjustment is subjectively applied based on estimated market depreciation of 1.25% per year, resulting in upward adjustments ranging from 3% to 25%.

Project Size – The comparables range in size from 16 to 148 units, with the subject falling near the lower-tier of the range (37 units). All of the comparables would attract the same buyer profile. No adjustments warranted.

Unit Mix/Average Unit Size – Apartment projects have shown a price variance due in part to a difference in average apartment size. Adjustments are applied based on a rate of \$50/SF applied to the difference in size. At this level, it is reflective of the depreciated marginal cost of the additional footage in a garden style development.

Unit Amenities – All of the comparables feature a similar appliance package, central heating and cooling, and in-suite washer/dryer set, typical of most modern apartment complexes. Unlike the subject, the majority of the comparables include a patio/balcony, warranting downward adjustments of \$1,710 (rent premium of $\$15 \times 12 \times 9.5$ GRM). An adjustment for bathroom-to-bedroom ratio is also warranted, as a higher ratio of bathrooms typically converts to higher rents per square foot and/or per unit. The ratio considers a \$3,500 value premium for a second full bath, and approximately half this rate for $\frac{1}{2}$ bath difference. The net adjustments applied to the comparables ranges from -1% to -2%.

Parking – The comparables are all superior to the subject for parking. The adjustments were based on rent premiums for open, garage and/or carport improvements multiplied by a typical 9.5 gross rent multiplier (GRM), which resulted in downward adjustments ranging from -3% to -7%. Note, the adjustment excludes the additional parking income the subject receives above base rent. The subject parking income will be accounted for in a lump sum adjustment following the base comparative analysis.

Common Amenities – The subject does not have any notable common amenities and is inferior to the majority of the comparables. Adjustments were applied based on approximate rent premiums for differences in amenities. The rent differences were converted into an indication of value by using a GRM of 9.5. The absolute adjustment is then converted to a percentage by dividing the value premium into the time adjusted sale price per unit.

Subject Parking and Retail Income – The subject addition parking and retail income was not accounted for in the comparative analysis. As processed in the Income Capitalization Approach, additional parking income is estimated at \$14,198 annually, and additional retail income is estimated at \$11,594 annually. A 9.5 GRM was utilized to convert this income to an indication of value. An adjustment of \$6,622 per unit was applied to the comparables ($\$25,792 \times 9.5 / 37$ units).

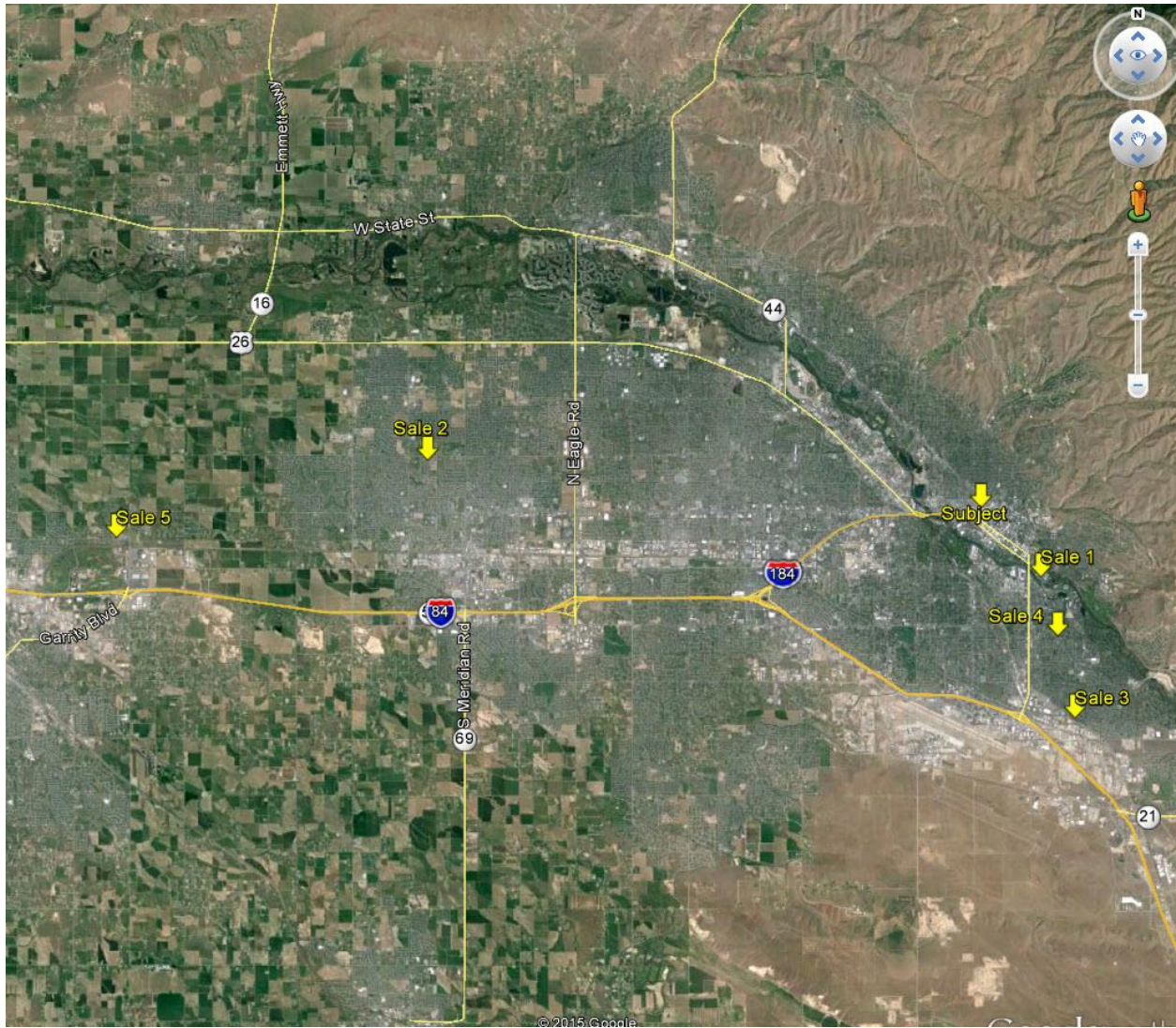
Presentation

Presented on the following pages are the Sale Comparable Summation Table, Sale Comparable Map, the discussion and analysis of the comparables, and conclusion(s) of market value for the subject.

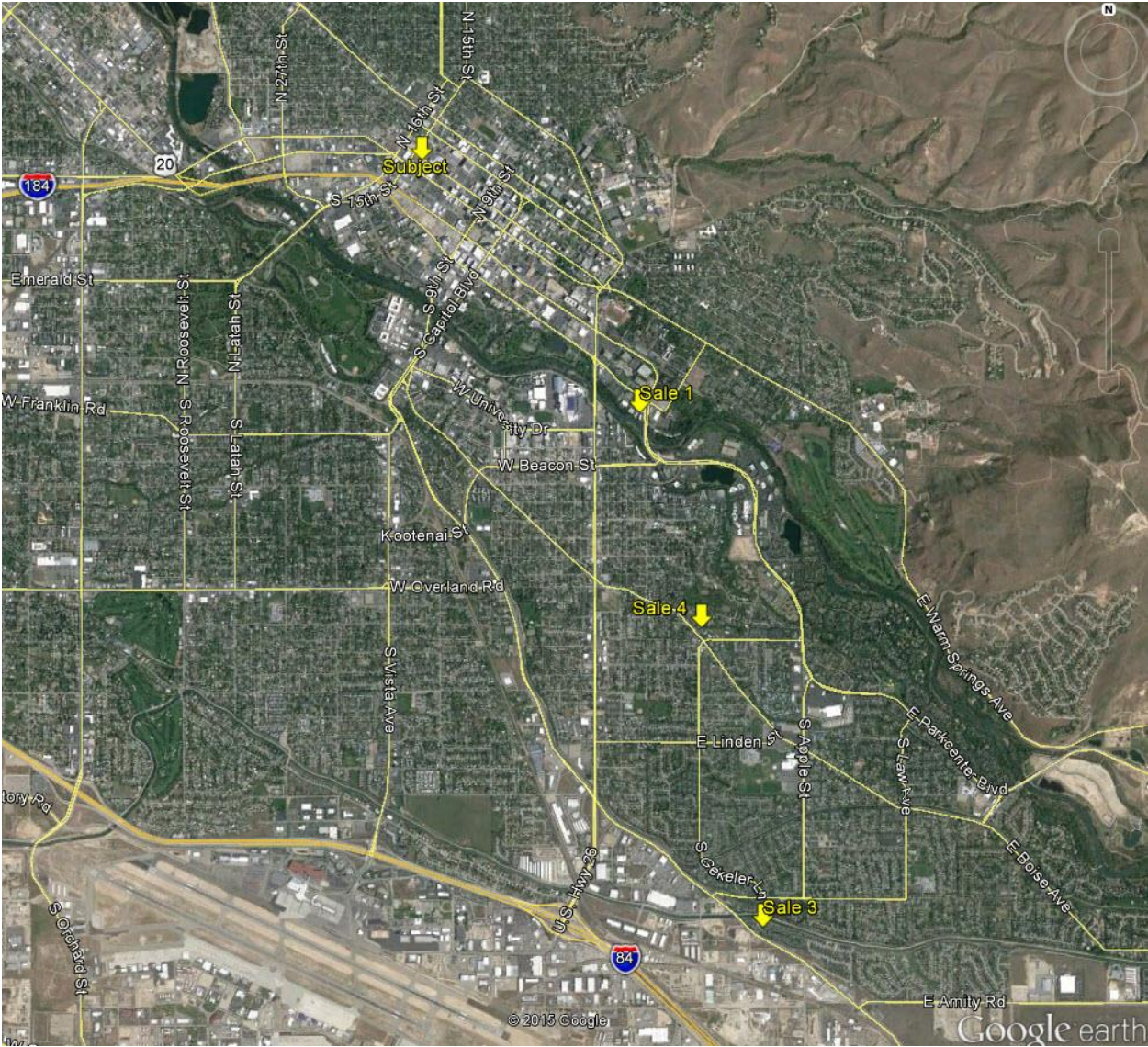
Comparable Sale Summation Table

						
Identification	Subject	Sale No. 1	Sale No. 2	Sale No. 3	Sale No. 4	Sale No. 5
Name	Watercooler Apartments	Clearwater Apartments	Crossfield Apartments	Monterra Townhomes	Table Rock Apartments	Aspen Creek Apartments
Street Address	1401 & 1413 W. Idaho Street	660-690 Clearwater Ln.	980 W. Parkstone St.	3960 S. Federal Way	100-108 E. Boise Ave.	6152-6242 Birch Ln.
City, State	Boise, ID 83702	Boise, ID 83712	Meridian, ID 83646	Boise, ID 83716	Boise, ID 83706	Nampa, ID 83686
Location Quality	Good, Downtown Boise	Inferior; downtown fringe	Inferior; NW Meridian	Inferior; SE Boise	Inferior; SE Boise	Inferior; NE Nampa
Physical Characteristics						
Land Size (Acres)	0.56	2.25	5.61	14.43	1.18	7.79
Land Size (SF)	24,408	98,010	244,284	628,745	51,401	339,236
Zoning	C-5DD(re-zone)	C-3D	TN-R	R-2D	L-OD	GB2 (Gateway Business, District 2)
Year Built	To be completed 1/1/2017	1993	2012	1995	1997/2002	2013-2014
Size (rentable SF)	27,280	57,000	79,245	194,324	17,308	110,944
Size (# units)	37	60	80	148	16	112
Unit Mix	(14) 1 BR/1BA; (6) Studio; (7) Live/work; (8) 2BR/2BA; (2) 3BR/2BA	(18) 1BR/1BA, (36) 2BR/2BA, (6) 3BR/2BA	(20) 1BR/1BA, (50) 2BR/2BA, (10) 3BR/2BA	(2) 2BR/2BA, (26) 2BR/2.5BA, (54) 2BR+Den/2BA, (66) 3BR/2.5BA	(2) 1BR/1BA; (14) 2BR/2BA	(28) 1BR/1BA, (4) 2BR/1BA, (56) 2BR/2BA; (24) 3BR/2BA
Average Unit Size	737	950	991	1,313	1082	991
Design	3 story apartment w commercial	3-story walk-up	2-story walk-up	2-story walk-up	2-story walk-up	2 & 3-story walk-up
Style	Flat	Flat	Flat	Townhouse	Flat	Flat
Construction quality/type	Good; wood frame/cement board plank/stucco	Above average; wood frame/wood	Above average; wood frame/wood, fiber cement and stone	Average; wood frame/hardboard	Average; wood frame/wood siding	Above average; wood frame/wood, fiber cement and stone
Condition	New	Above average	Good	Average	Average	New
Common Amenities	None	Landscaped areas	Clubhouse with fitness center & lounge, pool, landscaped areas, playground	Clubhouse with fitness center & lounge, pool, spa, landscaped areas, playground	None	Clubhouse with fitness center & lounge, playground
Unit Amenities	Standard appliances; central heat & a/c; washer/dryer	Standard appliances; patio/balcony; central heat & a/c; washer/dryer	Standard appliances; patio/balcony; central heat & a/c; washer/dryer	Standard appliances; patio & balcony; central heat & a/c	Standard appliances; patio/balcony; central heat & a/c; fireplace	Standard appliances; patio/balcony; central heat & a/c; washer/dryer
Parking Ratio (spaces/unit)	0.76	1.60	1.85	2.81	2.06	2.11
Parking Type	12 carport, 17 open	63% carport, 37% open	94% carport, 6% open	71% garage, 29% open	48% carport; 52% open	47% carport; 53% open
Comments		Consists of 3 buildings; adjacent to Boise River and greenbelt system		Income and capitalization rate derived from actual rents and pro-forma expenses from April 2014 appraisal		Each building was purchased individually in three stages by the same buyer
Sale Information						
Real Property Rights Conveyed	Fee simple	Fee Simple	Fee simple	Fee simple	Fee Simple	Fee Simple
Buyer	n/a	Equihome LLC	Claire and Robert Heron	Hamilton Zanze & Co.	Bolster Family Trust	Harbin Terrace LLC or related entity
Seller	n/a	Clearwater Apartments	Corey Barton Homes Inc.	Falcon Valley Apartments NW LLC	Baisley	Dave Evans Construction
Date Source	n/a	Broker	Listing agent	Purchase contract	Listing agent: Mike Swope	Purchase contract/broker
Date or Sale	n/a	Nov-13	Pending	Jul-14	Jul-14	Nov-13, May-14, Oct-14
Financing Terms	n/a	Conventional	Conventional	Conventional	Conventional	Conventional
Condition of Sale	n/a	None	None	None	None	None
Expenditures Immediately After Purchase	n/a	None	None	None	None	None
Non-Realty Components to Value	n/a	None	None	None	None	None
Sale Price	n/a	\$6,057,500	\$9,600,000	\$19,000,000	\$1,853,000	\$12,991,720
NOI	n/a	\$319,825	\$531,326	\$1,197,642	\$101,837	\$731,434
Capitalization Rate	n/a	5.28%	5.53%	6.30%	5.50%	5.63%
PGIM	n/a	9.47	10.56	9.31	12.11	10.21
Unadjusted Sale Price/Unit	n/a	\$100,958	\$120,000	\$128,378	\$115,813	\$115,998
Elements of Comparison						
Market Conditions	+8%/yr from 2012 to date; +3%/yr thru 1/1/2017	21%	6%	16%	13%	6%
Adjusted Sale Price/Unit		\$122,075	\$127,500	\$149,240	\$130,772	\$123,247
Other Adjustments						
Location		10%	20%	10%	10%	20%
Quality/Appeal		10%	10%	0%	10%	10%
Effective Age/Condition		25%	4%	24%	19%	3%
Size (# of units)		0%	0%	0%	0%	0%
Unit Mix/Avg Unit Size		-9%	-10%	-19%	-13%	-10%
Unit Amenities		-2%	-2%	-1%	-2%	-2%
Parking		-3%	-3%	-7%	-3%	-3%
Subject Retail & Parking Income		7%	6%	5%	6%	6%
Common Amenities		0%	-4%	-4%	0%	-2%
<i>Net Adjustment</i>		38%	20%	8%	26%	20%
Adjusted Sale Price/Unit		\$168,119	\$152,582	\$160,810	\$164,535	\$148,493

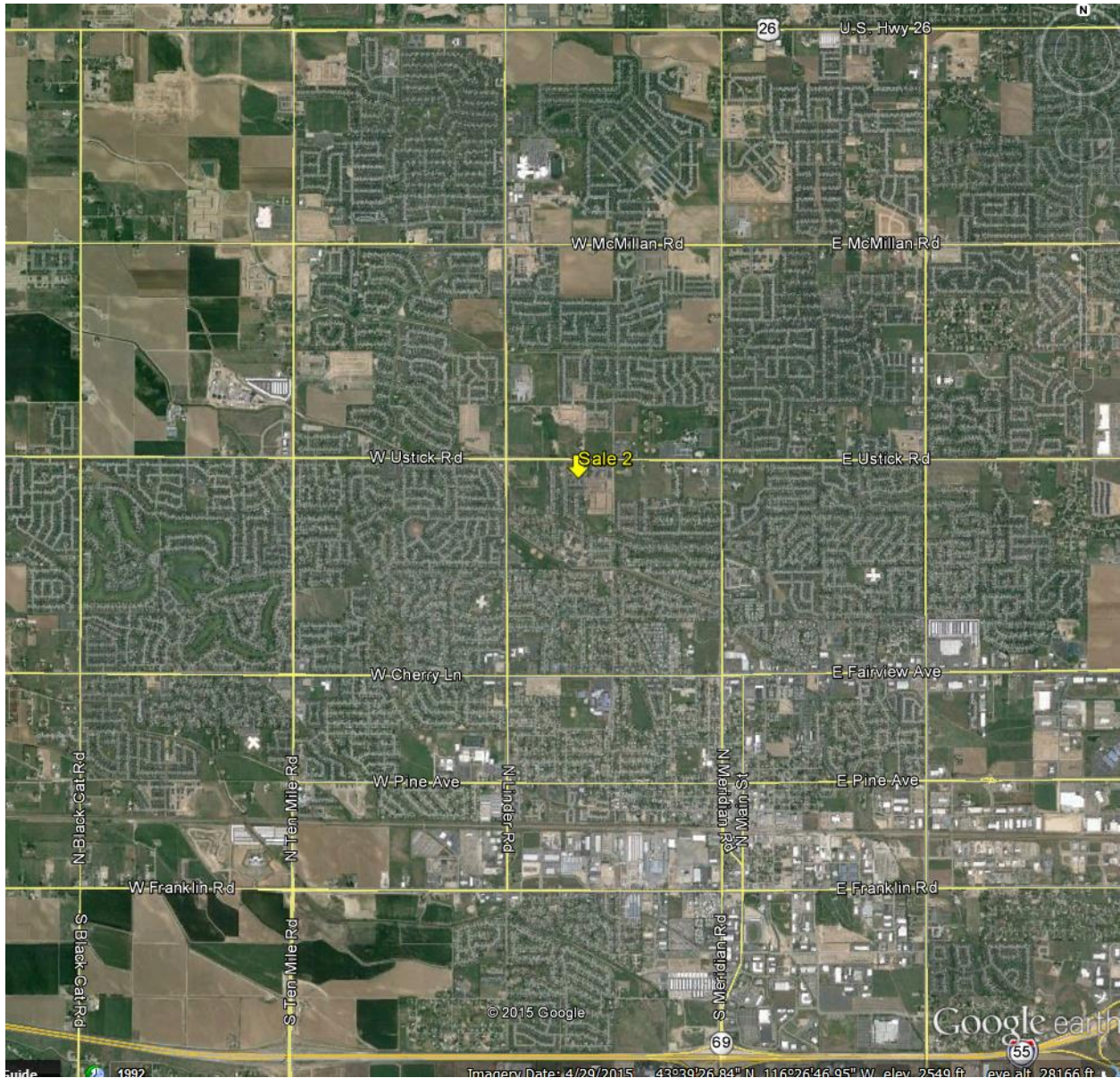
Sale Comparable Map Boise MSA



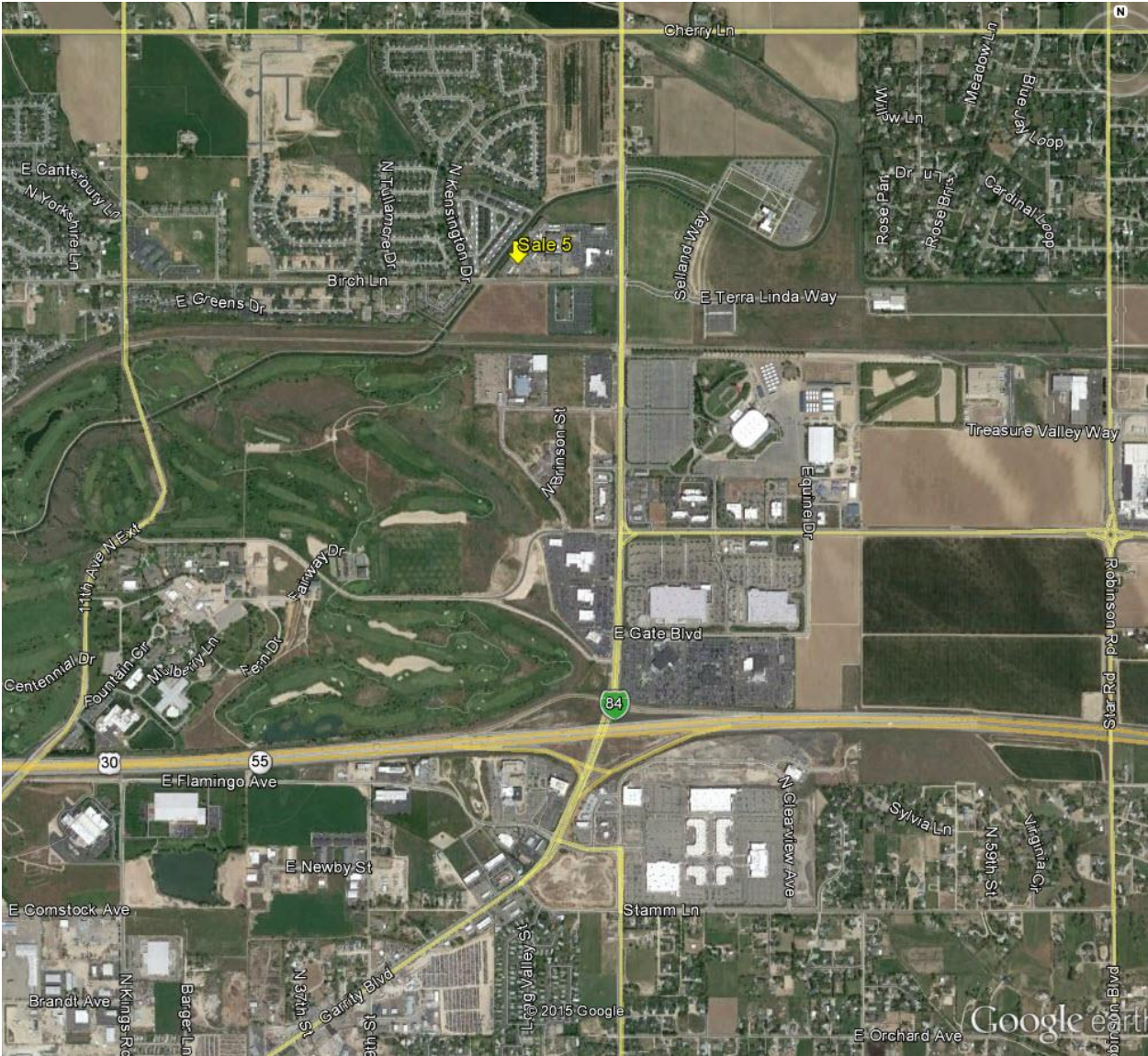
Sale Comparable Map Boise



Sale Comparable Map Meridian



Sale Comparable Map Nampa



Sales Comparison Approach Conclusion – Upon Stabilization

Prior to adjustment, the comparable prices ranged from \$100,958 to \$128,378 per unit. The differences in the prices are primarily attributed to date of sale, location, building quality/design, tenant mix/size, age/condition, and project amenities. After adjustment, the comparables bracket market value for the subject in a range of \$148,493 to \$168,119, with an average of \$158,908 per unit. Considering all relevant factors, with emphasis on the subject's good quality/ design, new condition, and desirable downtown Boise location, a unit value near the upper-tier of the range is most appropriate, concluded at **\$165,000 per unit**. The calculations to value are presented in the following table, resulting in Market Value: Upon Stabilization via the Sales Comparison Approach.

Sales Comparison Approach Conclusion

Units x Value/Unit = Value

37 x \$165,000 \$6,105,000

**Sales Comparison Approach Conclusion,
Fee Simple Market Value: Upon Stabilization \$6,105,000**

PGIM Crosscheck

The potential gross income multiplier (PGIM), as indicated by the market sales, will be applied to the potential gross income for the subject property to crosscheck the preceding price per unit conclusion. The multiplier is also used as an indicator of value and takes into consideration the proportion of expense to every dollar of gross income. It is derived by dividing the sale price by the gross annual income of the property. This method has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and essentially in the same proportion as do net income and sales prices.

Based on the preceding value conclusion and the potential gross income conclusion presented in the Income Capitalization Approach section, a PGIM of 10.26 is inferred (\$6,105,000 ÷ \$595,192). The sales used in the comparative analysis exhibit PGIM's ranging from 9.31 to 12.11. The inferred rate is within the comparable range and is reasonable for a new, good quality complex in a good location, and lends further support to the analysis.

Reconciliation – Market Value: Upon Stabilization

Summary of Value Indications

The indicated values from the approaches used in the valuation of the subject are summarized in the following table.

Reconciliation: Upon Stabilization	
	Market Value Upon Stabilization
Sales Comparison Approach	\$6,105,000
Income Capitalization Approach	\$6,360,000
Cost Approach	Not Completed

In order to reach a final opinion of value, we considered the reliability and relevance of each value indication based upon the quality of the data and applicability of the assumptions underlying each approach. The approaches relate fairly well to one another within a pattern characteristic of current market conditions.

The **Sales Comparison Approach** resulted in a reliable conclusion of market value due to an adequate number of investment sales of similar projects in the Boise MSA market. The Sales Comparison Approach is an applicable method for valuing owner-user properties or properties of similar financial characteristics. The unique characteristics of the subject are difficult to exactly measure against the comparative sales. Therefore, the Sale Comparison Approach is given secondary weight in the final value reconciliation.

The **Income Capitalization Approach** resulted in a reliable conclusion of market value due to an adequate number of recent rent, expense, and capitalization rate comparables of similar projects utilized in the analyses. Overall, the factors comprising the Income Capitalization Approach were well supported and yield what is considered to be a reliable conclusion. Because the most probable buyer is an investor, the Income Capitalization Approach is an applicable method for estimating market value as it best reflects market participants' expectations of current and future income streams. Accordingly, the Income Capitalization Approach was given primary weight in the final value reconciliation.

The **Cost Approach** was not completed. The Cost Approach is not applicable for a Re-Use appraisal.

Final Value Conclusion - Market Value: Upon Stabilization

Market Value: Upon Stabilization				
<u>Value Type</u>	<u>Value Premise</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>
Market Value	Upon Stabilization	Fee Simple	4/1/2017	\$6,350,000

Marketing Time: The estimate of value in this appraisal assumes the subject would experience a marketing time typical of the current market. Marketing time estimates can be supported by analyzing the actual time the comparable sales utilized in the valuation analysis were exposed to the market before sale. During the five year period prior to 2008, commercial markets were strong and the marketing time was typically 6 to 12 months. Transactions were curtailed from 2008 through mid-2010 as a result of the economic downturn and the tightening of lending guidelines, which has reduced both the amount of available capital and the number of potential buyers. Distressed sales were prevalent during this time for commercial properties; however, these sales are not true indications of market value. Since mid-to-late 2010, the national and local economies have strengthened and commercial market conditions have improved, as evidenced by decreasing vacancies and increased absorption. As a result, average rental rates have been increasing and capitalization/yield rates have been decreasing. Market conditions are anticipated to continue to improve near term. With this emphasis, the marketing time pertaining to the market value conclusion(s) herein is estimated to be 6 to 12 months.

Exposure Time: Locally, market conditions were weak from 2008 through mid-to-late 2010. Investors had been very conservative due to 1) uncertainty and weakness in local market conditions, 2) uncertainty and weakness in local and national economies, and (3) reluctance in the mortgage lending community. Since 2011, market and lending conditions have perceptively improved. Occupancy and rent levels have strengthened and non-distressed transactions have increased. Our estimate of market value reflects current conditions, with an expectation of stability to moderate appreciation near term. The comparable sales generally had exposure times of 3 to 6 months with closings within one year. Based on a review of recent sales of competing properties, including but not limited to the comparables utilized herein, the exposure time pertaining to the market value conclusion(s) for the subject property is estimated to be 6 to 12 months as of the effective date(s) of the appraisal.

Market Value: Upon Completion

Market Value: Upon Completion

To this point in the appraisal, market value has been derived assuming the subject has reached stabilized occupancy. To conclude the "upon completion" value of the subject, lease-up costs including lost rent during the stabilization period and tenanting costs relating to advertising and leasing/management are deducted from our "upon stabilization" value conclusion.

Absorption Period – The market has experienced strong absorption during the past two to three years. Absorption rates of several new apartment complexes were analyzed. The best absorption comparable is the Owyhee Plaza Apartments, which absorbed all 36 units within 3-4 months of completion (completed in 2014). We anticipate similar absorption for the subject. Considering a number of the subject units will likely be preleased prior to the end of construction, it is projected that the subject will reach stabilized occupancy within three months. Note, with over one year until the project will be completed, it is projected that the 682 square foot retail unit will be preleased prior to completion.

Lease-up Costs – The developers estimate a branding/marketing/advertising cost of \$20,000. They estimate a cost for leasing commissions of \$6,750. Both estimates are within market norms and are concluded to be reasonable. Market rent is utilized to estimate lost rent during lease-up over the 3 month absorption period. These lease-up costs are deducted from the "upon stabilization" value conclusion, resulting in Market Value: Upon Completion. The calculations to value are presented in the following table.

Market Value: Upon Completion		
Market Value: Upon Stabilization Conclusion		\$6,350,000
Deduct Lease-up Costs		
Less: Branding/Marketing/Advertising Costs	(\$20,000)	
Less: Leasing Commissions	(\$6,750)	
Less: Lost rent during lease-up (\$1.69/sf x 27,010 sf x 3 mo x 50% avg. lease-up)	(\$68,470)	
Total Lease-up Costs	(\$95,220)	(\$95,000)
Market Value: Upon Completion Conclusion		\$6,255,000

Final Value Conclusion - Market Value: Upon Completion

Market Value: Upon Completion				
Value <u>Type</u>	Value <u>Premise</u>	Interest <u>Appraised</u>	Effective <u>Date</u>	Value <u>Conclusion</u>
Market Value	Upon Completion	Fee Simple	1/1/2017	\$6,255,000

Fair Re-Use Market Value: Upon Completion

Development Cost:

Development Cost Estimate: The developer provided a detailed cost estimate for the construction of the proposed improvements which is presented below. Note, a detailed cost estimate of the general contractor's budget (direct cost line item in budget below) is included in the addenda of this report.

Watercooler Development Budget	Total Budget		
	Total Budget	Per Unit	PSF
1. Acquisition Costs		37	33,000
Land acquisition	(\$985,000)	(26,622)	(\$29.85)
Closing costs	(\$15,000)	(405)	(\$0.45)
Total Acquisition Costs	(\$1,000,000)	(27,027)	(\$30.30)
2. Indirect Construction Costs			
A&E			
Production Architect	(\$120,000)	(3,243)	(\$3.64)
Design Architect	(\$32,000)	(865)	(\$0.97)
Civil Engineer	(\$15,000)	(405)	(\$0.45)
Geotechnical	(\$5,000)	(135)	(\$0.15)
MEP Engineer	(\$45,000)	(1,216)	(\$1.36)
Landscape Architect	(\$6,000)	(162)	(\$0.18)
Structural Engineer	(\$70,000)	(1,892)	(\$2.12)
Design Survey - Topo	(\$4,000)	(108)	(\$0.12)
Total A&E	(297,000)	(8,027)	(\$9.00)
Fees & Permits			
ACHD	(\$70,448)	(1,904)	(\$2.13)
Demolition Permit	(\$8,550)	(231)	(\$0.26)
Demo Permit Bond	(\$1,200)	(32)	(\$0.04)
Sewer Fees	(\$84,485)	(2,283)	(\$2.56)
City parks	(\$36,091)	(975)	(\$1.09)
Police Impact	(\$5,841)	(158)	(\$0.18)
Fire Impact	(\$19,944)	(539)	(\$0.60)
United Water	(\$5,000)	(135)	(\$0.15)
Housing Credit	\$37,000	1,000	\$1.12
City Building	(\$43,925)	(1,187)	(\$1.33)
City Planning	(\$5,000)	(135)	(\$0.15)
Total Fees & Permits	(243,484)	(6,581)	(\$7.38)
Other			
Legal	(\$25,000)	(676)	(\$0.76)
Accounting	(\$15,000)	(405)	(\$0.45)
Property Taxes	(\$2,500)	(68)	(\$0.08)
G&A	(\$5,000)	(135)	(\$0.15)
Development Fee	(\$217,721)	(5,884)	(\$6.60) 4.0%
Indirect Cost Contingency	(\$23,519)	(636)	(\$0.71) 4.0%
Total Other	(\$288,740)	(7,804)	(\$8.75)
Total Indirect Construction Costs	(\$829,224)	(22,411)	(\$25.13)
3. Direct Construction Costs			
Subs			
Security	(\$1,500)	(41)	(\$0.05)
Signage	(\$850)	(23)	(\$0.03)
Printing Costs	(\$2,500)	(68)	(\$0.08)
Temp Power/Utilities Course of construction	(\$20,000)	(541)	(\$0.61)
Idaho Power (Relocate OH Lines)	(\$55,000)	(1,486)	(\$1.67)
Natural Gas by Gas Company	(\$5,000)	(135)	(\$0.15)
Testing / Deferred Inspections and Reporting	(\$15,000)	(405)	(\$0.45)
Insurance (Wrap/OCIP/Builders Risk)	(\$34,304)	(927)	(\$1.04) 0.8%
FF&E	(\$2,500)	(68)	(\$0.08)
General			
General Contractor Budget - Conceptual	(\$4,573,902)	(123,619)	(\$138.60)
Owner Direct Cost Contingency	(\$94,211)	(2,546)	(\$2.85) 2.0%
Total Direct Construction Costs	(\$4,804,767)	(129,859)	(\$145.60)
4. Sales & Marketing Costs			
Branding / Marketing / Advertising	(\$20,000)	(541)	(\$0.61)
Leasing Commissions	(\$6,750)	(182)	(\$0.20)
Total Sales & Marketing Costs	(\$26,750)	(723)	(\$0.81)
5. Financing Costs			
Fund Control	(\$15,000)	(405)	(\$0.45)
Processing & Doc Fee	(\$1,500)	(41)	(\$0.05)
Origination Fees	(\$56,250)	(1,520)	(\$1.70)
Closing Costs	(\$5,000)	(135)	(\$0.15)
Interest Reserve	(\$197,438)	(5,336)	(\$5.98)
Total Financing Costs	(\$275,188)	(7,438)	(\$8.34)
Total Costs	(\$6,935,929)	(187,458)	(\$210.18)

Loan Amount	\$4,500,000
Equity Required	\$2,435,929
Interest Rate	4.50%

The costs are assumed to be accurate and reasonable for use in this appraisal with one exception. The developer included a line item for developer profit or entrepreneurial incentive of 4% of total hard and soft costs. Considering the scope of the project and risks associated therewith, the target profit is considered to be too low. We have removed this cost and included it in a separate line item for entrepreneurial incentive (developer profit). The developer's cost estimate is summarized in the following table.

Developer's Cost Estimate Summary	
<u>Developer's Budget - Constuction Phase</u>	<u>Cost</u>
Development Costs (Construction Phase)	\$5,924,179
Excluding Developer Fee of 4% of Costs	<u>(\$217,721)</u>
Development Costs (Construction Phase)	\$5,706,458
<u>Developer's Budget - Lease-up Phase</u>	
Lease-up Costs (Marketing/Lease Commissions)	\$26,750
<u>Site Acquisition Cost</u>	
Site Acquisition Cost	<u>\$985,000</u>
Total Development Cost (Excluding Developer Profit)	\$6,718,208

Developer Profit/Entrepreneurial Incentive: Several local developers were interviewed to determine the appropriate profit required to spur multi-family development. According to those surveyed, the required profit depends on the anticipated risk associated with a development. Most were consistent in stating a required profit range of 10% to 15% of total development costs, depending on the level of perceived risk. Based on these discussions, and considering the subject's good location and short projected absorption period, **an entrepreneurial incentive of 10% of development cost** (excluding upfront site acquisition cost) is concluded for the subject.

Fair Re-Use Value: Upon Completion

The construction phase development costs, entrepreneurial incentive allowance, and site acquisition cost are deducted from the "upon completion" value conclusion, resulting in Fair Re-Use Value: Upon Completion. The initial Fair Re-Use Value conclusion includes the site acquisition cost as an upfront (predevelopment) cost to the project, resulting in a negative Fair Re-Use Value of (\$1,005,000). Applying the site acquisition cost reimbursement of \$985,000 to the negative Fair Re-Use value results in an overall negative Fair Re-Use Value of (\$20,000).

Fair Re-Use Value Conclusion		
Market Value: Upon Completion Conclusion		\$6,255,000
Deduct Development Costs (Construction Phase)		
Less: Development Costs	(\$5,706,458)	
Less: Entrepreneurial Incentive/Developer Profit @ 10% of Development Costs	(\$570,646)	
Less: Site Acquisition Cost	<u>(\$985,000)</u>	
Total Development Costs (Construction Phase)	(\$7,262,104)	<u>(\$7,260,000)</u>
Fair Re-Use Value: Upon Completion		(\$1,005,000)
(Includes upfront site acquisition cost)		Negative
Add: Site Acquisition Cost Reimbursement		<u>\$985,000</u>
Fair Re-Use Value: Upon Completion		(\$20,000)
(After site acquisition cost reimbursement)		Negative

General Assumptions & Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.

10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but no third-parties not listed as an intended user on the face of the appraisal or the engagement letter may rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

19. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income & Expense Projection" are anticipated.
20. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
21. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
22. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
23. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
24. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.

25. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
26. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
27. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
28. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
29. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
30. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
31. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
32. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.

33. Data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.
34. You and Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Mountain States Appraisal & Consulting, Inc. or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. for this assignment, and under no circumstances shall any claim for consequential damages be made.
35. Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc. in such action, regardless of its outcome.
36. The value opinion(s) provided herein is subject to any and all predications set forth in this report.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Mountain States Appraisal & Consulting, Inc. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.

38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Certification

I, Jeff Vance, MAI, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- In August 2014, I appraised the subject based on unrelated assumptions and involving a different scope of work. I have performed no other services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the a cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a current personal site inspection of the property that is the subject of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and the appraiser's state registration/certification has not been revoked, suspended, cancelled, or restricted.
- This is to acknowledge the assistance of Moe Therrien, MAI, in preparation of this appraisal.
- As of the date of this report, I, Jeff Vance, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.
- Effective July 1, 1992, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers. I have met the qualifications to appraise all types of real estate and am currently certified. My certification number is CGA-2828.



Jeff Vance, MAI
Senior Appraiser
State of Idaho Certification No. CGA-2828

Certification

I, Moe Therrien, MAI, certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- In August 2014, I appraised the subject based on unrelated assumptions and involving a different scope of work. I have performed no other services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the a cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a current personal site inspection of the property that is the subject of this report.
- The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan, and the appraiser's state registration/certification has not been revoked, suspended, canceled, or restricted.
- This is to acknowledge the assistance of Jeff Vance, MAI, in preparation of this appraisal.
- As of the date of this report, I, Moe Therrien, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.
- Effective July 1, 1992, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers. I have met the qualifications to appraise all types of real estate and am currently certified. My certification number is CGA-8.



Moe Therrien, MAI
Senior Managing Director
State of Idaho Certification No. CGA-8

QUALIFICATIONS OF JEFF VANCE, MAI

Education:

Bachelor of Science, Business-Marketing
University of Idaho, Moscow, Idaho; 1994

Appraisal Institute Courses:

USPAP- National Uniform Standards and Professional Appraisal Practice Course, 2006
Course I-110, Appraisal Principles, 2006
Course I-120, Appraisal Procedures, 2006
Real Estate Financing, Statistics, & Valuation Modeling, 2007
General Appraiser Income Approach Part 1, 2007
General Market Analysis and Highest and Best Use, 2008
General Sales Comparison Approach, 2008
General Site Valuation and Cost Approach, 2008
General Report Writing & Case Studies, 2009
General Appraiser Income Approach Part 2, 2009
Advanced Sales Comparison & Cost Approaches, 2009
USPAP Update, 2009, 2011, 2013, 2014
Business Practices and Ethics, 2009, 2014
Foreclosure, Short Sale, Auction Price Seminar, 2010
Subdivision Valuation, 2010
Advanced Concepts and Case Studies, 2011
Advanced Income Capitalization, 2012
General Demonstration Report-Capstone Program, 2013

Accreditation:

Effective July 1, 1991, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers; the program became mandatory July 1, 1992. I am currently qualified as a Certified General Appraiser. My CGA number is 2828.

Experience:

MAI, Senior Appraiser, Mountain States Appraisal and Consulting, Inc.;
Boise, Idaho; August 2013 to present
Certified General Appraiser, Mountain States Appraisal and Consulting, Inc.;
Boise, Idaho; January 2010 to August 2013
Registered Trainee, Haxton & Company; January 2008 to January 2010
Registered Trainee, Mountain States Appraisal and Consulting, Inc.,
Boise, Idaho; May 2007 to December 2007
Process Supervisor, Product Engineering Failure Analysis Laboratory
Micron Technology, Boise, Idaho; 1994 to 2006

Scope of Appraisal Experience:

Industrial, office, medical office, retail, shopping center, mid and high-rise mixed-use buildings, commercial subdivision, apartments, residential condominium complexes, residential subdivision, residential to office conversion, mini-storage, mobile home park, church, ground leases, and vacant land.

Bureau of Occupational Licenses
Department of Self Governing Agencies
The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n)

CERTIFIED GENERAL APPRAISER

JEFFREY ROBERT VANCE
1459 TYRELL LANE SUITE B
BOISE ID 83706


Tana Cory
Chief, B.O.L.

CGA-2828
Number

04/18/2016
Expires

Qualifications
J. Vance

QUALIFICATIONS OF MAURICE J. (MOE) THERRIEN, MAI

Business Background:

- Mountain States Appraisal and Consulting, Inc.**, Co-Owner, Commercial Appraiser, 1982 to Present. 1977-1981 Employee, Commercial and Residential Appraiser.
- Idaho Commercial Brokerage**, Associate Broker, 2003 to Present.
Investment Property Brokerage
- Ada Real Estate Surveys**, Co-Founder/Partner, Apartment Surveys, 1987 to Present.
Published semi-annual surveys of rents and occupancy, 13,000+ apartments.

Appraisal Emphasis:

Apartments	Health/Racquet Facilities	Commercial Vacant Land
Offices	Restaurants	Subdivisions
Warehouse/Industrial	Shopping Centers	Retail

Organization Memberships/Affiliations:

MAI - Member, Appraisal Institute
Licensed Real Estate Broker, State of Idaho
*AIREA, Chapter No. 55, 1987 - President
Member, Idaho Association of Realtors

Accreditation:

As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Effective July 1, 1991, the State of Idaho implemented a mandatory program of licensing/certification of real estate appraisers; the program became mandatory July 1, 1992. I have met the qualifications to appraise all types of real estate and am currently certified. My certification number is CGA-8.

Areas of Experience:

Idaho, counties of: Ada, Bannock, Bingham, Blaine, Bonneville, Canyon, Cassia, Custer, Elmore, Gem, Jerome, Owyhee, Nez Perce, Payette, Twin Falls, Valley, Washington
Oregon, counties of: Lane and Malheur
Washington, county of: Spokane

Expert Testimony Experience:

United States Bankruptcy Court, Boise, Idaho
Idaho District Court, Fourth Judicial District

Qualifications
M. Therrien

QUALIFICATIONS OF MAURICE J. (MOE) THERRIEN, MAI, Cont'd.

Special Education:

Appraisal Institute Courses:

Forecasting Revenue, 2014
Analyzing Expenses, 2014
Business Practices, Ethics, 2007, 2012
Uniform Standards of Professional Appraisal Practices, 2010, 2012, 2014
Uniform Appraisal Standards for Federal Land Acquisitions, 2011
Appraisal Curriculum Overview, 2010
Separating Real Property, Personal Property, Intangible Values
General Applications
Advanced Sales Comparison, Cost Approaches
Comprehensive Examination
Introduction to Investment Analysis
Valuation Analysis and Report Writing
Case Studies in Real Estate Valuation
Course I-B - Capitalization Theory and Techniques
Course I-A - Basic Appraisal Principles, Methods and Techniques
Course VIII - Single-Family Residential Appraisal

Seminars Attended:

Introduction to Valuing Green Commercial Buildings
Appraisal in Declining Markets
Analyzing Distressed Commercial Real Estate
Residential Construction
Commercial Construction
Eminent Domain
Scope of Work
Understanding Rates/Ratios
Eminent Domain/Idaho Issues
Appraising Special Purpose Properties
Appraising Small Retail Properties
Environmental Awareness
Low-Income Housing Tax Credits for Apartments
Wetlands
Easement Valuation
Mineral Valuation/Analysis
Litigation Valuation
Hazardous Waste Seminar
Cash Equivalency Seminar
Income Capitalization Overview Seminar
Appraising Conservation Easement Seminar
Apartment Analysis Seminar
Historic Preservation Easement Seminar

Real Estate Courses Taken:

Washington State University:	Principles of Real Estate Appraisal of Real Estate Brokerage Administration
Boise State University:	Real Estate Investment/Taxation Real Estate Development
Pioneer Real Estate School: (Brokerage Courses)	Real Estate Practices Real Estate Principles Real Estate Law Brokerage Administration

QUALIFICATIONS OF MAURICE J. (MOE) THERRIEN, MAI, Cont'd.

Major Clients Served:

Zion's First National Bank
Banner Bank
Idaho Independent Bank
US Bancorp
Wells Fargo Bank
Washington Trust Bank
Northwest Bank
Washington Federal Savings and Loan
Bank of the Cascades
Home Street Capital
Key Bank of Idaho
Collateral Mortgage Company
Idaho Housing and Finance Association
Public Employees Retirement System of Idaho
Neighborhood Housing Services
Harty Capital Commercial Real Estate
Bonneville Mortgage
Merrill Lynch Capital
Column Financial
Capital City Development Corporation
Walker and Dunlop, DUS
Canada Life Assurance
Seattle NW Security Corporation
CIBC, Inc.
AIMCO
Equitable of Iowa Life Insurance
Idaho Small Business Administration
U.S. Department Housing and Urban Development
Utah Community Reinvestment Corporation
U.S. Department of Agriculture – Rural Development
Numerous other mortgage, government, and private clients

Bureau of Occupational Licenses
Department of Self Governing Agencies
The person named has met the requirements for licensure and is entitled
under the laws and rules of the State of Idaho to operate as a(n)

CERTIFIED GENERAL APPRAISER

MAURICE J THERRIEN
490 FALL DR
BOISE ID 83706

Tana Cory
Tana Cory
Chief, B.O.L.

CGA-8
Number

12/31/2015
Expires

Education/Biographic Data:

1974-1977 Washington State University, Bachelor of Arts Degree, Business Administration.
Graduated Summa Cum Laude in February 1977.
1972-1974 Spokane Falls Community College, Associate Arts Degree, 1974.
Born in Nelson, British Columbia, Canada, 1953; raised in Colfax, Washington.

**MOUNTAIN STATES APPRAISAL AND CONSULTING, INC.
2013 ON CALL PROFESSIONAL SERVICES AGREEMENT**

TASK ORDER 13-003

Please use this Task Order number and Project Name on all project-related invoices.

TO: Jeff Vance, MAI | Senior Appraiser
Mountain States Appraisal and Consulting, Inc. ("CONSULTANT")
1459 Tyrell Lane, Suite B
Boise, Idaho 83706
208-336-1097, ext. 22
jvance@valbridge.com

FROM: John Brunelle, Executive Director
Capital City Development Corporation ("CCDC")
121 N. 9th Street, Suite 501
Boise, Idaho 83702
208-384-4264
jbrunelle@ccdcbosie.com

ORIGINAL AGREEMENT: 2013 On-Call Professional Services Agreement ("Agreement")
AGREEMENT DATE: November 26, 2013
TASK ORDER DATE: August 18, 2015
NOT TO EXCEED: ~~XXXXXXXXXX~~

1. **PROJECT NAME:** Re-Use Appraisal: Development of 1401 & 1413 W. Idaho Street

2. **PROJECT DESCRIPTION**

CCDC owns the real property with improvements addressed as 1401 and 1413 W. Idaho Street in Boise, Idaho, which is in CCDC's Westside Urban Renewal District. Part of CCDC's urban renewal plan for the Westside District is to promote the development of residential projects, and as CCDC has received a proposal for the development of a mixed-use 39 unit residential plus commercial structure, CCDC wishes to engage CONSULTANT to prepare a re-use appraisal for CCDC's internal property planning purposes.

3. **SERVICES TO BE PERFORMED ("SCOPE OF SERVICES")**

CCDC desires to obtain an opinion of "Fair Re-Use Value" from CONSULTANT for the site based on its proposed use. CONSULTANT shall perform the services described in CONSULTANT'S Proposal dated August 12, 2015, attached hereto as Exhibit A.

CCDC's signature on this Task Order serves as Notice to Proceed. CONSULTANT shall not make changes to this Task Order's Scope of Services or completion date without prior written approval from CCDC.

4. SUBCONSULTANT(S)
Reserved; Not Applicable.

5. COST; INVOICES

- (a) Amount & Method of Payment. The lump sum total amount paid for this Task Order 13-003 shall not exceed ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXX~~ for the Scope of Services.
- (b) Reimbursable Expenses. Payment to CONSULTANT includes reimbursable expenses which shall include general out-of-pocket expenses such as long-distance telephone charges, copying expenses, overnight or standard mailing expenses, and travel-related expenses and shall be billed to CCDC at the actual cost to CONSULTANT with no markup. Reimbursable expenses are included in this Task Order's not-to-exceed amount of ~~XXXXXX~~.
- (c) Notice Required Prior to Overages. CONSULTANT shall notify CCDC if, due to unforeseen or other circumstances, CONSULTANT anticipates that costs for the Scope of Services to exceed the not-to-exceed limit set for this Task Order. CCDC will determine in its sole judgment if a change to the not-to-exceed limit is appropriate. Any such change shall be approved by CCDC in writing prior to the CONSULTANT incurring costs in excess of the not-to-exceed limit.
- (d) Invoices. Each invoice submitted to CCDC by CONSULTANT shall be in a format acceptable to CCDC and shall specify charges as they relate to the tasks in the Task Order. Each invoice shall also specify current billing and previous payments, with a total of costs incurred and payments made to date.

6. SCHEDULE

CONSULTANT shall begin work upon execution of this Task Order and complete the entire Scope of Services on or before October 15, 2015, unless an extension is approved and provided in writing by CCDC.

7. DELIVERABLES / COPIES OF PRODUCTS

CONSULTANT shall provide CCDC with the products as described in attached EXHIBIT A. Documents shall be submitted in a format acceptable to CCDC, via email to CCDC Property Development Project Manager Shellan Rodriguez at srodriguez@ccdcboise.com unless requested to do otherwise by CCDC.

8. CONTRACT TERMS

Terms of the 2013 On-Call Professional Services Agreement signed by CCDC and CONSULTANT shall remain in effect and apply to the services performed and work products created under this Task Order.


End of Task Order 13-003 | Signatures appear on the following page.

IN WITNESS WHEREOF, CCDC and CONSULTANT have executed this Task Order as of the day and year last written below.

CAPITAL CITY DEVELOPMENT CORP.

CONSULTANT
MOUNTAIN STATES APPRAISAL &
CONSULTING, INC.

BY: 
John Brunelle, Executive Director

BY: 
Jeff Vance, MAI | Senior Appraiser

Date: 
8/19/15

Date: 8/18/2015

EXHIBIT

A: CONSULTANT'S Proposal dated August 12, 2015

Budget Info / For Office Use	
Fund/District	303
Account	470-5501
Activity Code	15317
PO #	150115
Due Date	October 15, 2015
Term. Date	November 15, 2015



Joe Corlett, MAI, SRA
Moe Therrien, MAI
Kevin Ritter, CGA
Derek Newton, RT
Jeff Vance, MAI
Dave Pascua, RT
Paul Dehlin, MAI

1459 Tyrell Lane
Suite B
Boise, ID 83706
208-336-1097 phone
208-345-1175 fax
valbridge.com

August 12, 2015

Shellan Rodriguez
Project Manager – Property Development
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702

Re: Re-use Appraisal of:
Proposed mixed-use development
39 apartment units plus commercial
1401 & 1413 W. Idaho Street
Boise, Idaho 83702

Dear Ms. Rodriguez:

This letter serves as an outline describing the scope of work to be performed for the re-use appraisal of the above referenced property. The subject is a proposed 39-unit apartment project with ground floor commercial space and several live/work units. The subject site is currently improved with an older building which will be razed upon development.

The purpose of this appraisal is to provide an opinion Fair Re-Use Value for the site based on the proposed use. Capital City Development Corporation (CCDC) is the client in this assignment. The intended use is to provide a basis for negotiating a sale of the land subject to the specific development proposal. The intended users of this report include the client and any duly appointed representatives of the client, specifically authorized by the client to view or use this appraisal in accordance with the stated purpose or function.

The report is presented in appraisal report format. It presents a condensed discussion of the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. The depth of the discussion contained in this report is specific to the needs of the client and the intended use.

The fee will be ~~XXXX~~. Assuming we have the necessary data from the developer, CCDC, and the market, we anticipate delivery of the report to be no later than three to four weeks upon execution of the CCDC task order. Moe Therrien, MAI, and Jeff Vance, MAI, will collaborate on the appraisal and cosign the report.

Thank you for the opportunity to be of service.

Sincerely,
**Valbridge Property Advisors | Mountain States
Appraisal & Consulting, Inc.**

Jeff Vance, MAI
Idaho Certified General Appraiser
CGA-2828
Phone: 208-336-1097, ext. 22
E-mail: Jeff@appraiseidaho.com



1500 5th Avenue
Pocatello, ID 83201
803.232.4589
www.bemore.com

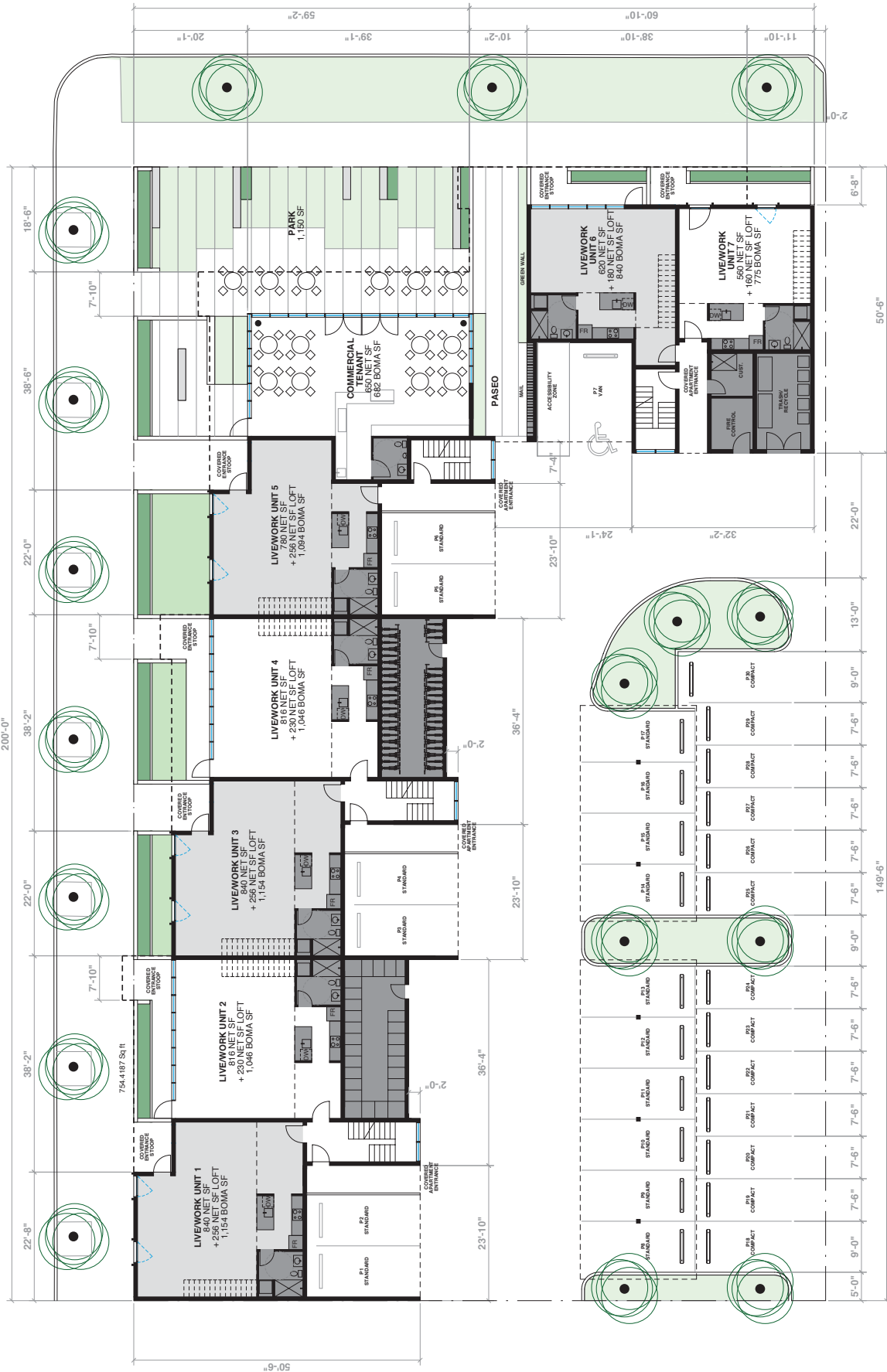
1401 Idaho Apartments
1401 Idaho
Pocatello, Idaho 83202
AUG 24 2015
REVISIONS



**CORNER VIEW
14th AND IDAHO**



1401 Idaho Apartments
 1401 Idaho St
 Boise, Idaho 83725
 Project Engineer
 15009 9th Avenue
 Boise, Idaho 83725
 (208) 333-6580
 beandk.com



GROUND FLOOR LEVEL - 8,316 GSF
 TOTAL COVERAGE = 11,967 GSF
 SCALE 1/8" = 1'-0"

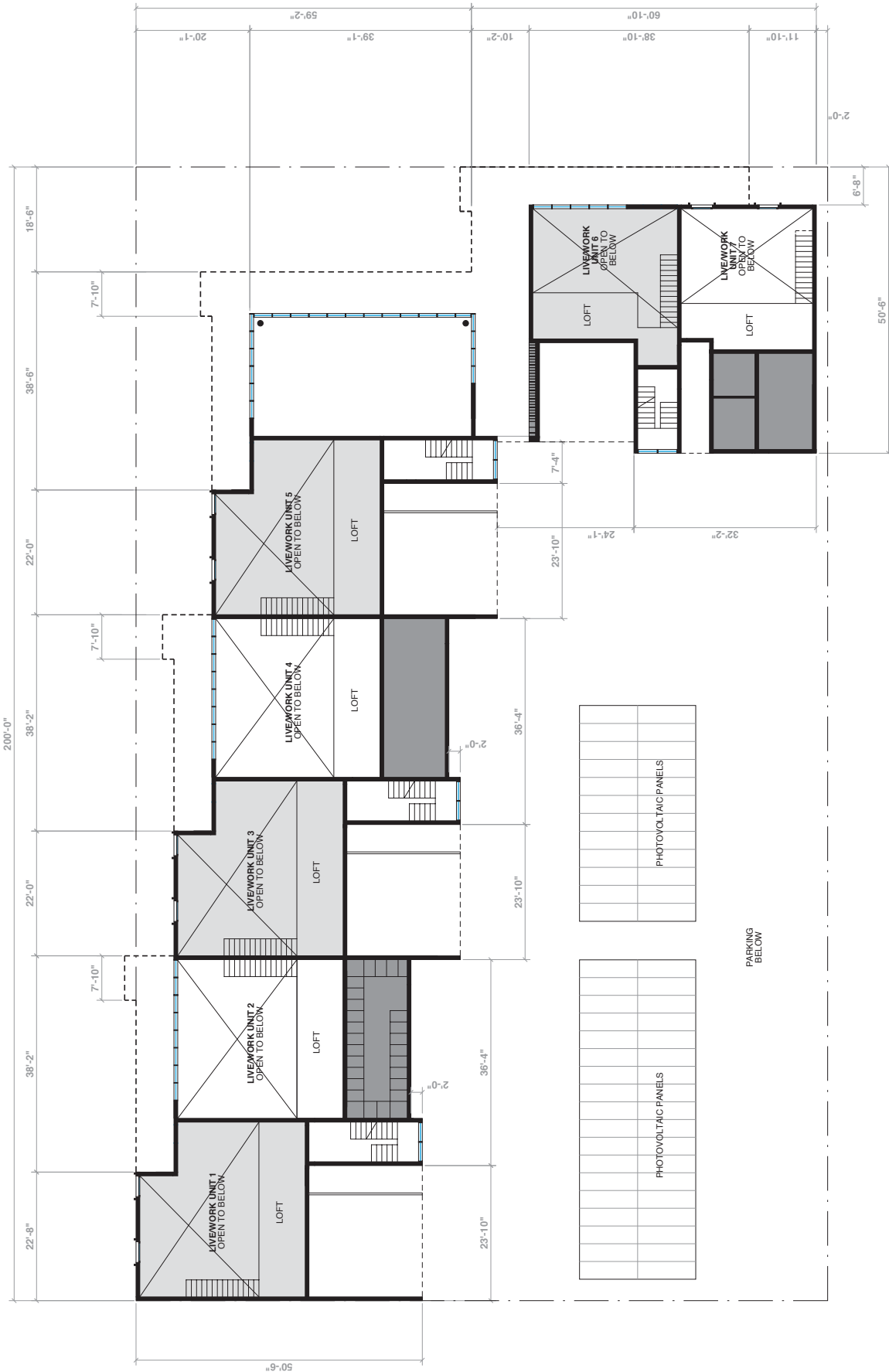




1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, Idaho 83702

1500 9th Avenue
 Boise, ID 83702
 (208) 333-6880
 www.bekbe.com

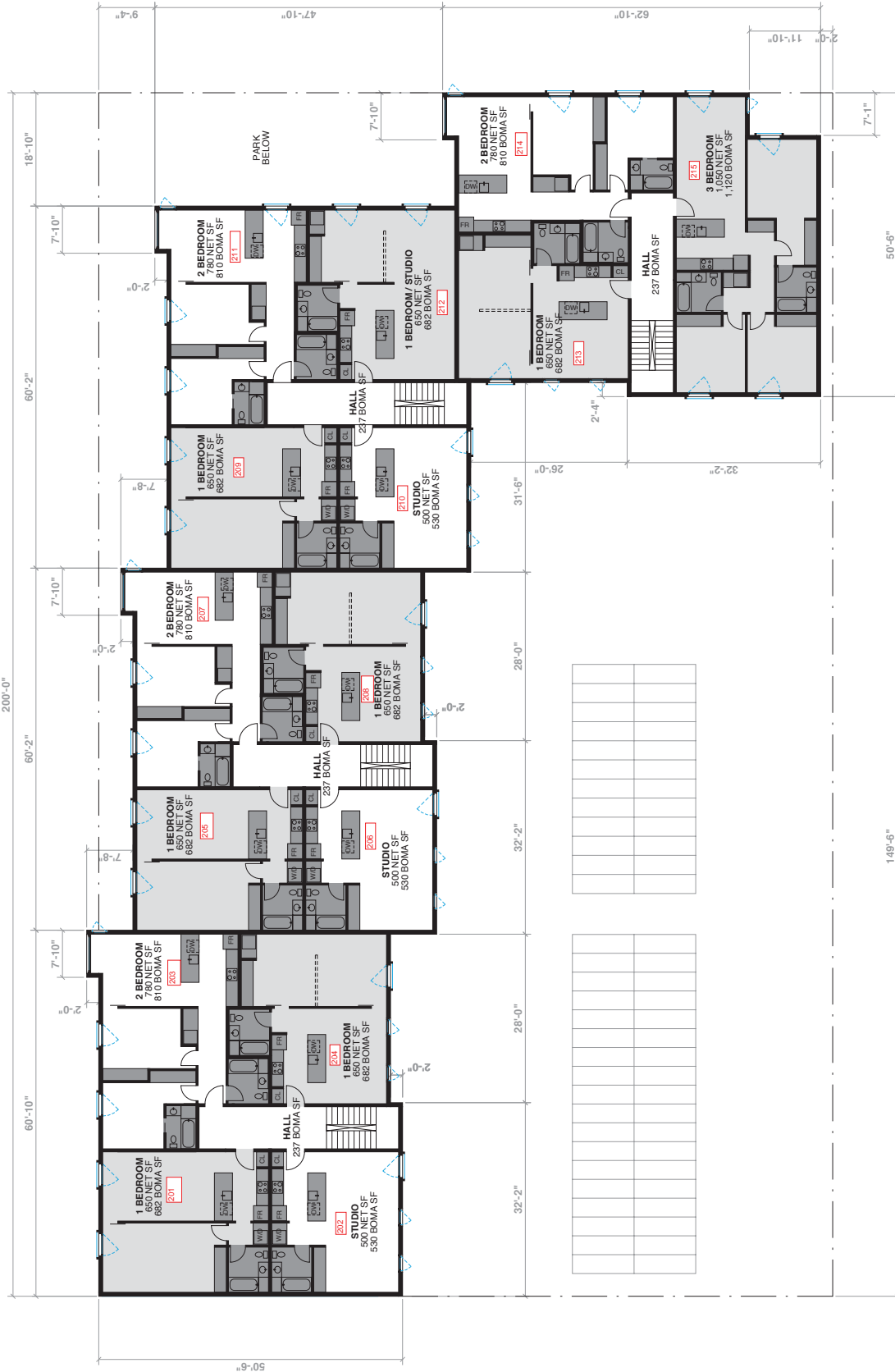
1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, Idaho 83702
 August 24, 2015
 Revisions:



MEZZANINE LEVEL
 SCALE 1/8" = 1'-0"

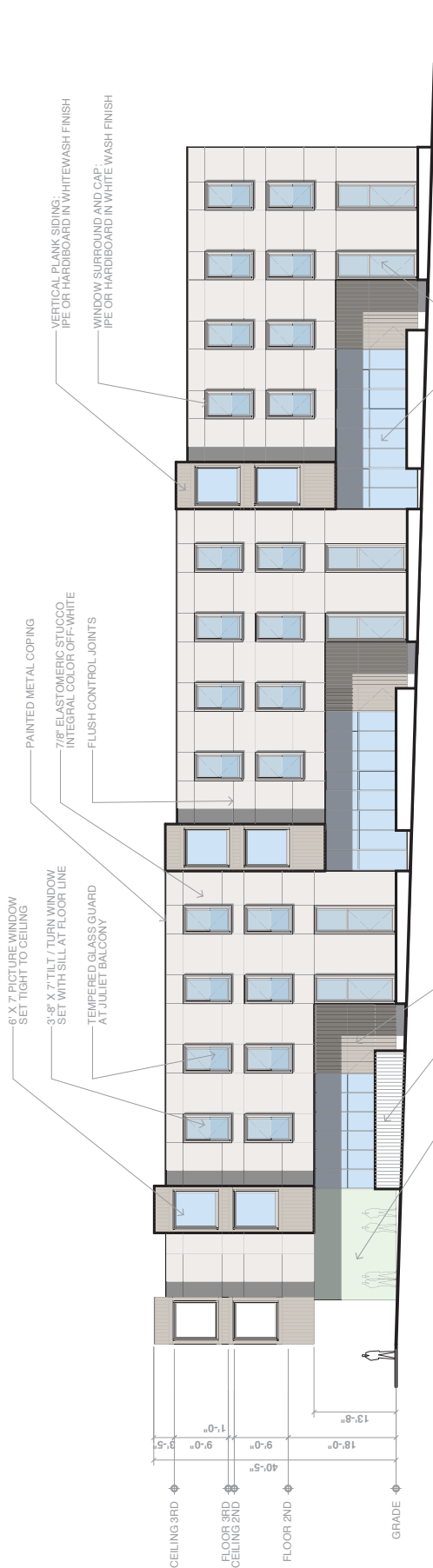


1401 Idaho Apartments
 Issued: AUG 24 2015
 Revisions:

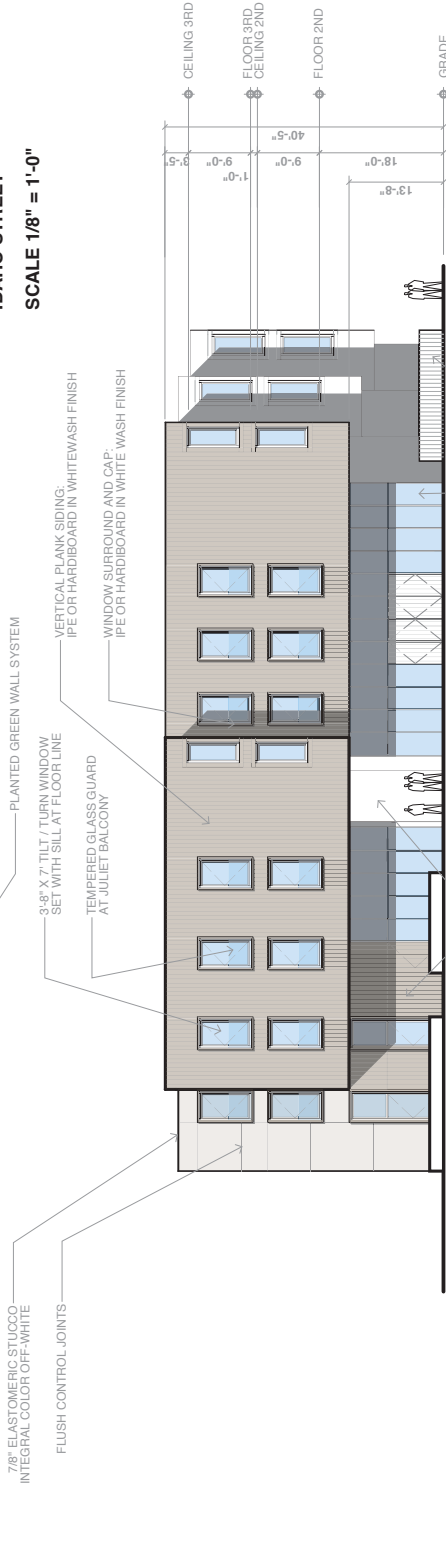


FLOOR LEVEL 2 - 11,967 GSF
 FLOOR LEVEL 3 - 11,967 GSF
 SCALE 1/8" = 1'-0"





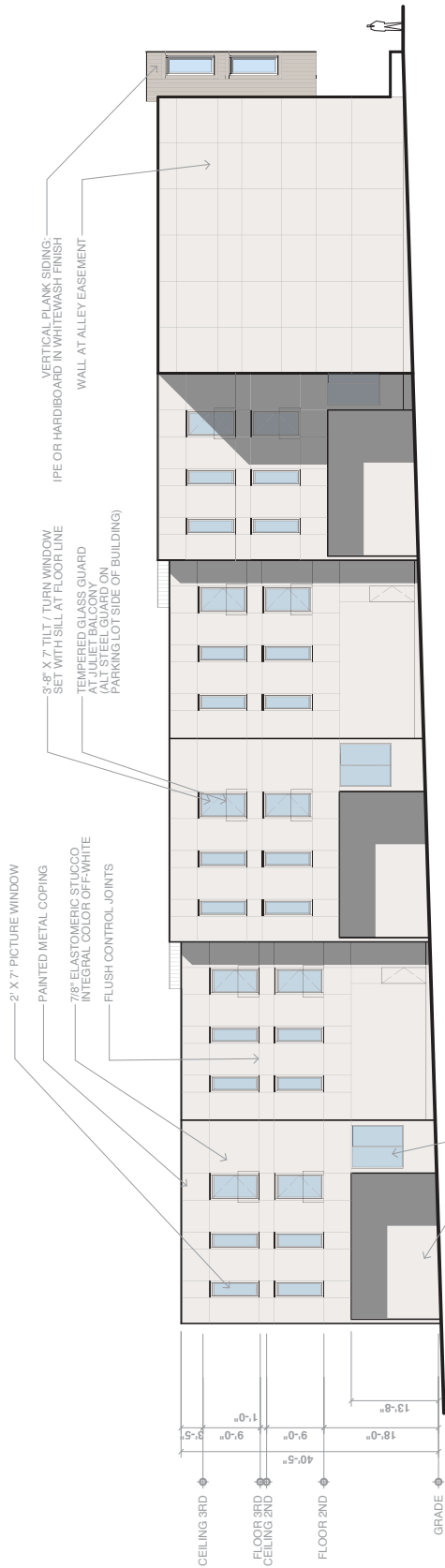
**NORTH ELEVATION
 IDAHO STREET**
 SCALE 1/8" = 1'-0"



**EAST ELEVATION
 14TH STREET**
 SCALE 1/8" = 1'-0"



1401 Idaho Apartments
 1401 22nd Avenue
 Boise, Idaho 83702
 AUG 24 2015
 Revision 1



**SOUTH ELEVATION
 ALLEY**

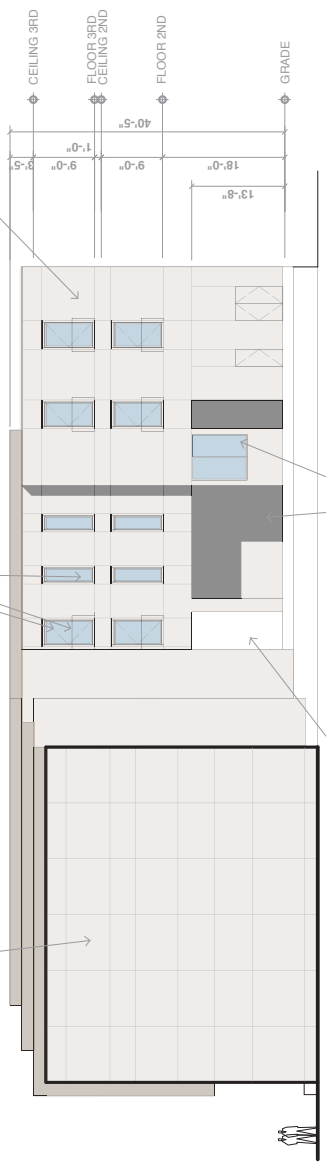
SCALE 1/8" = 1'-0"

2' X 7' PICTURE WINDOW
 PAINTED METAL COPING
 7/8" ELASTOMERIC STUCCO INTEGRAL COLOR OFF-WHITE
 FLUSH CONTROL JOINTS
 3'-8" X 7' TILT / TURN WINDOW SET WITH SILL AT FLOOR LINE
 TEMPERED GLASS GUARD AT JULIET BALCONY (ALT STEEL GUARD ON PARKING LOT SIDE OF BUILDING)
 7/8" ELASTOMERIC STUCCO INTEGRAL COLOR OFF-WHITE
 2' X 7' PICTURE WINDOW
 TEMPERED GLASS GUARD AT JULIET BALCONY (ALT STEEL GUARD ON PARKING LOT SIDE OF BUILDING)
 3'-8" X 7' TILT / TURN WINDOW SET WITH SILL AT FLOOR LINE
 KAWNEER TRIFAB STOREFRONT AT FIRST STAIR LANDING
 COVERED PARKING POCKET

7/8" ELASTOMERIC STUCCO INTEGRAL COLOR OFF-WHITE
 CEILING 3RD
 FLOOR 3RD
 CEILING 2ND
 FLOOR 2ND
 GRADE

3'-8" X 7' TILT / TURN WINDOW SET WITH SILL AT FLOOR LINE
 TEMPERED GLASS GUARD AT JULIET BALCONY (ALT STEEL GUARD ON PARKING LOT SIDE OF BUILDING)
 2' X 7' PICTURE WINDOW

WALL AT PROPERTY LINE



**WEST ELEVATION
 PROPERTY LINE**

SCALE 1/8" = 1'-0"

COVERED PARKING POCKET
 KAWNEER TRIFAB STOREFRONT AT FIRST STAIR LANDING

PASEO OPEN TO MAIL AND SIDEWALK BEYOND

1401 Idaho Street Construction Budget
 Units



DIV. 02	Qty	Unit	Cost	Total	Cost/Unit
Demo	24,400	Sqft	\$ 5.74	\$ 140,056.00	\$ 3,785.30
Site Work	24,400	Sqft	\$ 2.17	\$ 52,948.00	\$ 1,431.03
AC Pavement/Markings	20,000	Sqft	\$ 0.80	\$ 16,000.00	\$ 432.43
Site Concrete / C&G	24,400	Sqft	\$ 2.10	\$ 51,240.00	\$ 2.10
Survey	24,400	Sqft	\$ 0.53	\$ 12,932.00	\$ 0.53
Site Utilities	24,400	Sqft	\$ 1.85	\$ 45,140.00	\$ 1.85
Traffic Control	9	Mth	\$ 800.00	\$ 7,200.00	\$ 0.30
Landscaping	2,500	Sqft	\$ 12.00	\$ 30,000.00	\$ 1.23
Site Improvements	25,000	Sqft	\$ 0.75	\$ 18,750.00	\$ 506.76
DIV.03 - Concrete					
All Conc. Excl. Site (above)	11,900	Sqft	\$ 7.00	\$ 83,300.00	\$ 3.33
Light Weight	33,000	Sqft	\$ 2.25	\$ 74,250.00	\$ 2.97
DIV.05 - Metals					
Misc. Metal (Simpson HDW)	24,800	Sqft	\$ 0.50	\$ 12,300.00	\$ 332.43
Metal Stairs/Railings	2,700	Sqft	\$ 29.00	\$ 78,300.00	\$ 2,116.22
Metal Stud Wall Framing	1,000	LF	\$ 10.00	\$ 10,000.00	\$ 270.27
DIV.06 - Carpentry					
Framing (Lab. & Material)	33,000	Sqft	\$ 13.00	\$ 429,000.00	\$ 11,594.59
Wood Siding	8,000	Sqft	\$ 17.00	\$ 136,000.00	\$ 3,675.68
Millwork	33,000	Sqft	\$ 1.00	\$ 33,000.00	\$ 891.89
Interior Cabs.	37	ea	\$ 2,200.00	\$ 81,400.00	\$ 2,200.00
DIV. 07 - Thermal & Moisture					
Membrane roof	12,000	Sqft	\$ 7.50	\$ 90,000.00	\$ 2,432.43
Exterior Closure Requirements	20,000	Sqft	\$ 0.30	\$ 6,000.00	\$ 162.16
Waterproofing Systems	20,000	Sqft	\$ 0.25	\$ 5,000.00	\$ 135.14
Insulation	33,000	Sqft	\$ 1.10	\$ 36,300.00	\$ 981.08
Flashing & Sheetmetal	33,000	Sqft	\$ 1.00	\$ 33,000.00	\$ 891.89
Joint Sealants	33,000	sqft	\$ 0.25	\$ 8,250.00	\$ 222.97
Firestopping	33,000	Sqft	\$ 0.10	\$ 3,300.00	\$ 89.19
DIV.08 Doors/Windows					
Doors/frames/hardware	125	ea	\$ 1,200.00	\$ 150,000.00	\$ 4,054.05
Storefronts	2,300	Sqft	\$ 35.00	\$ 80,500.00	\$ 2,175.68
Tilt/Turn Windows	98	ea	\$ 1,200.00	\$ 117,600.00	\$ 3,178.38
Glass Rails	80	lf	\$ 225.00	\$ 18,000.00	\$ 486.49
Special/Access Doors	78	ea	\$ 40.00	\$ 3,120.00	\$ 84.32
Unit Mirrors	48	ea	\$ 115.00	\$ 5,520.00	\$ 149.19
DIV.09 Finishes					
GWB Systems	84,983	Sqft	\$ 4.00	\$ 339,932.00	\$ 9,187.35
Counters	37	ea	\$ 1,000.00	\$ 37,000.00	\$ 948.72
Ceramic Tile (120sf/unit)	4,680	Sqft	\$ 4.00	\$ 18,720.00	\$ 505.95
Wood Floor (level 2&3)	10,400	Sqft	\$ 5.75	\$ 59,800.00	\$ 1,616.22
Carpet / Base all	5,520	Sqft	\$ 3.00	\$ 16,560.00	\$ 447.57
Sealed Concrete	6,300	Sqft	\$ 0.25	\$ 1,575.00	\$ 42.57
Stucco Systems	12,000	Sqft	\$ 12.00	\$ 144,000.00	\$ 3,891.89
Paint & Wallcoverings	84,983	Sqft	\$ 2.30	\$ 195,460.90	\$ 5,282.73
DIV.010 Specialties					
Postal Specialties	1	ls	\$ 3,000.00	\$ 3,000.00	\$ 81.08
Toilet & Bath Accessories	37	ea	\$ 400.00	\$ 14,800.00	\$ 400.00
Storage Lockers	32	ea	\$ 100.00	\$ 3,200.00	\$ 86.49
Code Signage	1	ls	\$ 5,000.00	\$ 5,000.00	\$ 135.14
Fire Extinguishers/Cabs	37	ea	\$ 100.00	\$ 3,700.00	\$ 100.00
Window Treatments	68	ea	\$ 250.00	\$ 17,000.00	\$ 459.46
DIV.11 - Equipment					
Appliances	37	ea	\$ 2,800.00	\$ 103,600.00	\$ 2,800.00
Trash Enclosure	1	ls	\$ 2,000.00	\$ 2,000.00	\$ 54.05
DIV.13 Special Construction					
Fire Sprinklers	33,000		\$ 2.75	\$ 90,750.00	\$ 2,452.70
DIV.15 Mechanical					
Plumbing	33,000		\$ 10.00	\$ 330,000.00	\$ 8,918.92
HVAC	33,000		\$ 10.00	\$ 330,000.00	\$ 8,918.92
DIV.16 - Electrical					
Electrical/IT/FA	33,000	Sqft	\$ 12.00	\$ 396,000.00	\$ 10,702.70
TOTAL SUBS				\$ 3,980,503.90	
GENERAL CONSTRUCTION					
General Requirements	11	Mths	\$ 30,000.00	\$ 330,000.00	
GC Fee	1	ls	3%	\$ 129,315.12	
Contingency	1	ls	2%	\$ 88,796.38	
Insurance @.006	1	ls	1%	\$ 45,286.15	
Total				\$ 4,573,901.55	
				\$ 123.75 SF	

Previous Budget	Delta
\$ 140,056.00	\$ -
\$ 52,948.00	\$ -
\$ 16,000.00	\$ -
\$ 51,240.00	\$ -
\$ 12,932.00	\$ -
\$ 45,140.00	\$ -
\$ 7,200.00	\$ -
\$ 30,000.00	\$ -
\$ 18,750.00	\$ -
\$ -	\$ -
\$ 83,300.00	\$ -
\$ 74,250.00	\$ -
\$ -	\$ -
\$ 12,300.00	\$ -
\$ 78,300.00	\$ -
\$ 10,000.00	\$ -
\$ -	\$ -
\$ 429,000.00	\$ -
\$ 136,000.00	\$ -
\$ 33,000.00	\$ -
\$ 81,400.00	\$ -
\$ -	\$ -
\$ 90,000.00	\$ -
\$ 6,000.00	\$ -
\$ 5,000.00	\$ -
\$ 36,300.00	\$ -
\$ 33,000.00	\$ -
\$ 8,250.00	\$ -
\$ 3,300.00	\$ -
\$ -	\$ -
\$ 150,000.00	\$ -
\$ 107,730.00	\$ 27,230.00
\$ 81,600.00	\$ (36,000.00)
\$ -	\$ (18,000.00)
\$ 3,120.00	\$ -
\$ 5,520.00	\$ -
\$ -	\$ -
\$ 339,932.00	\$ -
\$ 37,000.00	\$ -
\$ 18,720.00	\$ -
\$ 59,800.00	\$ -
\$ 16,560.00	\$ -
\$ 1,575.00	\$ -
\$ 144,000.00	\$ -
\$ 195,460.90	\$ -
\$ -	\$ -
\$ 3,000.00	\$ -
\$ 14,800.00	\$ -
\$ 3,200.00	\$ -
\$ 5,000.00	\$ -
\$ 3,700.00	\$ -
\$ 17,000.00	\$ -
\$ -	\$ -
\$ 103,600.00	\$ -
\$ 2,000.00	\$ -
\$ -	\$ -
\$ 90,750.00	\$ -
\$ -	\$ -
\$ 330,000.00	\$ -
\$ 330,000.00	\$ -
\$ -	\$ -
\$ 396,000.00	\$ -
\$ -	\$ -
\$ 3,953,733.90	\$ (26,770.00)
\$ -	\$ -
\$ 330,000.00	\$ -
\$ 128,512.02	\$ (803.10)
\$ 88,244.92	\$ (551.46)
\$ 45,004.91	\$ (281.25)
\$ 4,545,495.74	\$ (28,405.81)

Watercooler Development Budget

	Total Budget		
	Total Budget	Per Unit	PSF
1. Acquisition Costs		37	33,000
Land acquisition	(\$985,000)	(26,622)	(\$29.85)
Closing costs	(\$15,000)	(405)	(\$0.45)
Total Acquisition Costs	(\$1,000,000)	(27,027)	(\$30.30)
2. Indirect Construction Costs			
A&E			
Production Architect	(\$120,000)	(3,243)	(\$3.64)
Design Architect	(\$32,000)	(865)	(\$0.97)
Civil Engineer	(\$15,000)	(405)	(\$0.45)
Geotechnical	(\$5,000)	(135)	(\$0.15)
MEP Engineer	(\$45,000)	(1,216)	(\$1.36)
Landscape Architect	(\$6,000)	(162)	(\$0.18)
Structural Engineer	(\$70,000)	(1,892)	(\$2.12)
Design Survey - Topo	(\$4,000)	(108)	(\$0.12)
Total A&E	(297,000)	(8,027)	(\$9.00)
Fees & Permits			
ACHD	(\$70,448)	(1,904)	(\$2.13)
Demolition Permit	(\$8,550)	(231)	(\$0.26)
Demo Permit Bond	(\$1,200)	(32)	(\$0.04)
Sewer Fees	(\$84,485)	(2,283)	(\$2.56)
City parks	(\$36,091)	(975)	(\$1.09)
Police Impact	(\$5,841)	(158)	(\$0.18)
Fire Impact	(\$19,944)	(539)	(\$0.60)
United Water	(\$5,000)	(135)	(\$0.15)
Housing Credit	\$37,000	1,000	\$1.12
City Building	(\$43,925)	(1,187)	(\$1.33)
City Planning	(\$5,000)	(135)	(\$0.15)
Total Fees & Permits	(243,484)	(6,581)	(\$7.38)
Other			
Legal	(\$25,000)	(676)	(\$0.76)
Accounting	(\$15,000)	(405)	(\$0.45)
Property Taxes	(\$2,500)	(68)	(\$0.08)
G&A	(\$5,000)	(135)	(\$0.15)
Development Fee	(\$217,721)	(5,884)	(\$6.60) 4.0%
Indirect Cost Contingency	(\$23,519)	(636)	(\$0.71) 4.0%
Total Other	(\$288,740)	(7,804)	(\$8.75)
Total Indirect Construction Costs	(\$829,224)	(22,411)	(\$25.13)
3. Direct Construction Costs			
Subs			
Security	(\$1,500)	(41)	(\$0.05)
Signage	(\$850)	(23)	(\$0.03)
Printing Costs	(\$2,500)	(68)	(\$0.08)
Temp Power/Utilities Course of construction	(\$20,000)	(541)	(\$0.61)
Idaho Power (Relocate OH Lines)	(\$55,000)	(1,486)	(\$1.67)
Natural Gas by Gas Company	(\$5,000)	(135)	(\$0.15)
Testing / Deferred Inspections and Reporting	(\$15,000)	(405)	(\$0.45)
Insurance (Wrap/OCIP/Builders Risk)	(\$34,304)	(927)	(\$1.04) 0.8%
FF&E	(\$2,500)	(68)	(\$0.08)
General			
General Contractor Budget - Conceptual	(\$4,573,902)	(123,619)	(\$138.60)
Owner Direct Cost Contingency	(\$94,211)	(2,546)	(\$2.85) 2.0%
Total Direct Construction Costs	(\$4,804,767)	(129,859)	(\$145.60)
4. Sales & Marketing Costs			
Branding / Marketing / Advertising	(\$20,000)	(541)	(\$0.61)
Leasing Commissions	(\$6,750)	(182)	(\$0.20)
Total Sales & Marketing Costs	(\$26,750)	(723)	(\$0.81)
5. Financing Costs			
Fund Control	(\$15,000)	(405)	(\$0.45)
Processing & Doc Fee	(\$1,500)	(41)	(\$0.05)
Origination Fees	(\$56,250)	(1,520)	(\$1.70)
Closing Costs	(\$5,000)	(135)	(\$0.15)
Interest Reserve	(\$197,438)	(5,336)	(\$5.98)
Total Financing Costs	(\$275,188)	(7,438)	(\$8.34)
Total Costs	(\$6,935,929)	(187,458)	(\$210.18)

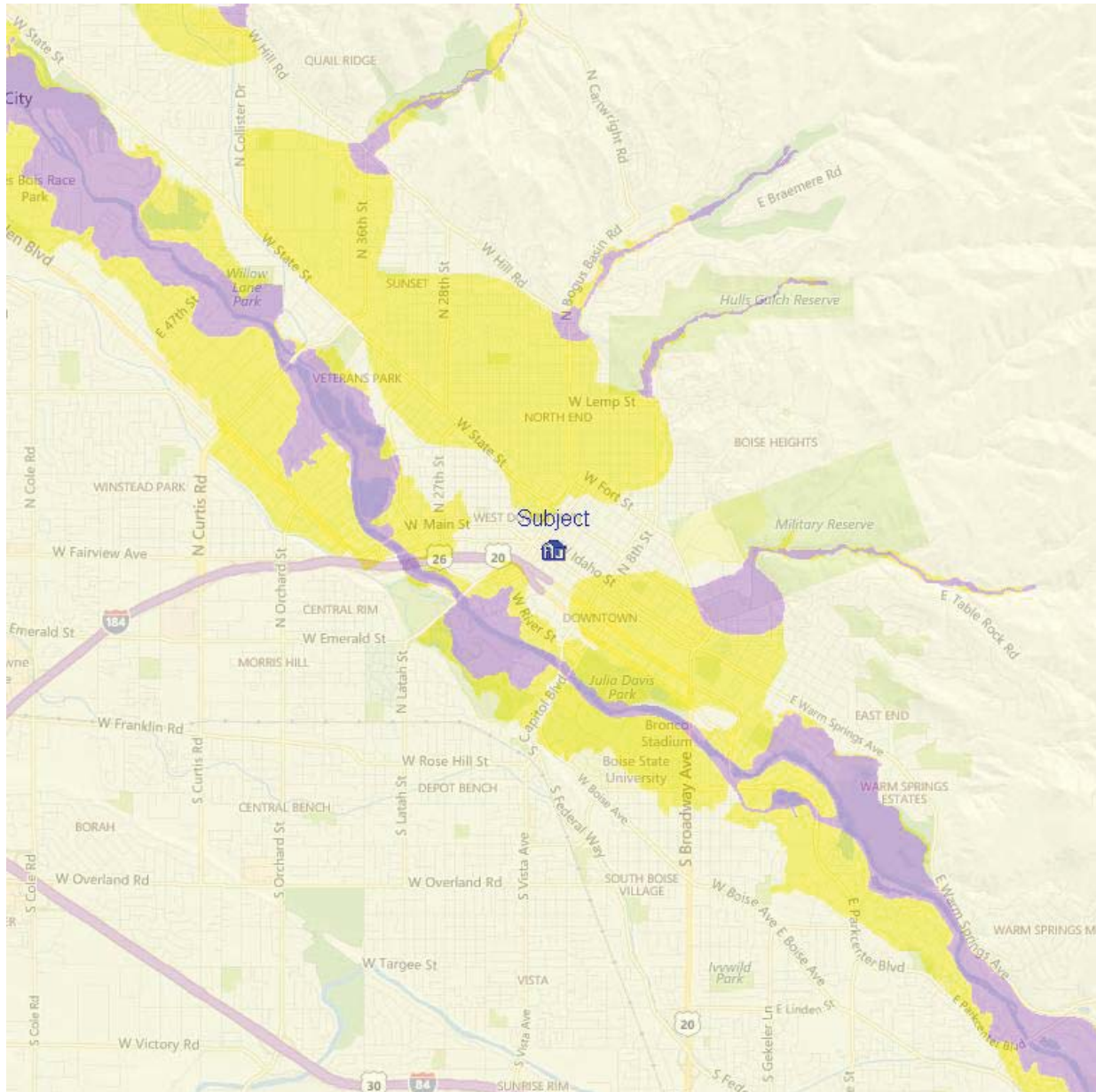
Loan Amount	\$4,500,000
Equity Requiren	\$2,435,929
Interest Rate	4.50%

64.9%
 35.1%



You are currently logged in as: (CUSTID_17366) on 09-Sep-2015

1401 W Idaho St, Boise, ID
1401 W IDAHO ST, BOISE, ID



MAP DATA

Map Number : 16001C0277H

Panel Date : February 19,2003

FIPS Code : 16001

Census Tract : 0001.00

Geo Result : S8 (Most Accurate) -

single valid address match, point
located at a single known address
point candidate (Parcel)

Flood	
	X or C Zone
	X500 or B Zone
	A Zone
	V Zone
	D Zone
	Area Not Mapped

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What do the different flood zones mean?

The following table gives an explanation of the flood zone designations used by First American Flood Data Services:

Zone	Zone Name	Description
100	Area in SFHA	This is an area inundated by 100-year flooding for which BFEs or velocity may have been determined. No distinctions are made between the different flood hazard zones that may be included within the SFHA.
100IC	100-year Flood Discharge Contained in Channel	An area where the 100-year flooding is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown.
A	Zone A	An area inundated by 100 year flooding, for which no BFEs have been established.
A99	Zone A99	An area inundated by 100-year flooding, for which no BFEs have been determined. This is an area to be protected from the 100-year flood by a Federal flood protection system under construction.
AE	Zone AE	An area inundated by 100-year flooding, for which BFEs have been determined.
AH	Zone AH	An area inundated by 100-year flooding (usually an area of ponding), for which BFEs have been determined; flood depths range from 1 to 3 feet.
ANI	Area Not Included	An area that is located within a community or county that is not mapped on any published FIRM.
AO	Zone AO	An area inundated by 100-year flooding (usually sheet flow on sloping terrain), for which average depths have been determined; flood depths range from 1 to 3 feet.
AR	Zone AR	An area inundated by flooding, for which BFEs or average depths have been determined.
B	Zone B	An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.
BE	Zone BE	An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.
BL	Zone B Protected By Levee	Areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone.
BX	Zone BX	An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.
C	Zone C	An area that is determined to be outside the 100- and 500-year floodplains.
CE	Zone CE	An area that is determined to be outside the 100- and 500-year floodplains.
CX	Zone CX	An area that is determined to be outside the 100- and 500-year floodplains.
D	Zone D	An area of undetermined but possible flood hazards.
FW	Floodway	An area that includes the channel of a river or other watercourse (Usually adjacent to Zone AE).
FWIC	Floodway Contained in Channel	An area where the floodway is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown. BFEs are not shown in this area, although they may be reflected on the corresponding profile
IN	Area In SFHA	This is an area inundated by 100-year flooding for which BFEs or velocity may have been determined. No distinctions are made between the different flood hazard zones that may be included within the SFHA.
NM	Area Not Mapped	An area that is located within a community or county that is not mapped on any published FIRM.
OUT	Area Not Mapped	An area designated as outside a "Special Flood Hazard Area" (or SFHA) on a FIRM. This is an area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile
OW	Open Water	A body of open water, such as a large pond, lake, bay, ocean, etc., located within a community's jurisdictional limits, that has no defined flood hazard.
UNDES	Area of Undesignated Flood Hazard	A body of open water, such as a pond, lake ocean, etc., located within a community's jurisdictional limits, that has no defined flood hazard.

V	Zone V	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
VE	Zone VE	An area inundated by 100-year flooding with velocity hazard (wave action); BFEs have been determined.
X	Zone X	An area that is determined to be outside the 100- and 500-year floodplains.
X5	Zone X (500-year)	An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.
X500	Zone X (500-year)	An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.
X500IC	500-year Flood Discharge Contained in Channel	An area where the 500-year flooding is contained within the channel banks and the channel is too narrow to show to scale. An arbitrary channel width of 3 meters is shown.
X500L	Zone X500 Protected By Levee	Areas protected from the 1% annual chance flood by levees. No Base Flood Elevations or depths are shown within this zone.
A1	Zone A1	An area inundated by 100 year flooding, for which no BFEs have been established.
A2	Zone A2	An area inundated by 100 year flooding, for which no BFEs have been established.
A3	Zone A3	An area inundated by 100 year flooding, for which no BFEs have been established.
A4	Zone A4	An area inundated by 100 year flooding, for which no BFEs have been established.
A5	Zone A5	An area inundated by 100 year flooding, for which no BFEs have been established.
A6	Zone A6	An area inundated by 100 year flooding, for which no BFEs have been established.
A7	Zone A7	An area inundated by 100 year flooding, for which no BFEs have been established.
A8	Zone A8	An area inundated by 100 year flooding, for which no BFEs have been established.
A9	Zone A9	An area inundated by 100 year flooding, for which no BFEs have been established.
A10	Zone A10	An area inundated by 100 year flooding, for which no BFEs have been established.
A11	Zone A11	An area inundated by 100 year flooding, for which no BFEs have been established.
A12	Zone A12	An area inundated by 100 year flooding, for which no BFEs have been established.
A13	Zone A13	An area inundated by 100 year flooding, for which no BFEs have been established.
A14	Zone A14	An area inundated by 100 year flooding, for which no BFEs have been established.
A15	Zone A15	An area inundated by 100 year flooding, for which no BFEs have been established.
A16	Zone A16	An area inundated by 100 year flooding, for which no BFEs have been established.
A17	Zone A17	An area inundated by 100 year flooding, for which no BFEs have been established.
A18	Zone A18	An area inundated by 100 year flooding, for which no BFEs have been established.
A19	Zone A19	An area inundated by 100 year flooding, for which no BFEs have been established.
A20	Zone A20	An area inundated by 100 year flooding, for which no BFEs have been established.
A21	Zone A21	An area inundated by 100 year flooding, for which no BFEs have been established.
A22	Zone A22	An area inundated by 100 year flooding, for which no BFEs have been established.
A23	Zone A23	An area inundated by 100 year flooding, for which no BFEs have been established.
A24	Zone A24	An area inundated by 100 year flooding, for which no BFEs have been established.
A25	Zone A25	An area inundated by 100 year flooding, for which no BFEs have been established.
A26	Zone A26	An area inundated by 100 year flooding, for which no BFEs have been established.
A27	Zone A27	An area inundated by 100 year flooding, for which no BFEs have been established.
A28	Zone A28	An area inundated by 100 year flooding, for which no BFEs have been established.
A29	Zone A29	An area inundated by 100 year flooding, for which no BFEs have been established.
A30	Zone A30	An area inundated by 100 year flooding, for which no BFEs have been established.

V0	Zone V0	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V1	Zone V1	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V2	Zone V2	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V3	Zone V3	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V4	Zone V4	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V5	Zone V5	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V6	Zone V6	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V7	Zone V7	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V8	Zone V8	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V9	Zone V9	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V10	Zone V10	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V11	Zone V11	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V12	Zone V12	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V13	Zone V13	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V14	Zone V14	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V15	Zone V15	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V16	Zone V16	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V17	Zone V17	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V18	Zone V18	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V19	Zone V19	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V20	Zone V20	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V21	Zone V21	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V22	Zone V22	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V23	Zone V23	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V24	Zone V24	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V25	Zone V25	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.

		determined.
V26	Zone V26	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V27	Zone V27	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V28	Zone V28	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V29	Zone V29	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
V30	Zone V30	An area inundated by 100-year flooding with velocity hazard (wave action); no BFEs have been determined.
Z	Area of Unknown Flood Hazard	An area of Data Discrepancy or an Unclaimed Area. Internal TFHC designation.
N	Area Not Mapped	An area that is located within a community or county that is not mapped on any published FIRM (Usually a community not participating in NFIP). Internal TFHC designation.
AR/A	Zone AR/A	An area inundated by flooding, for which BFEs or average depths have not been determined.
AR/AE	Zone AR/AE	An area inundated by flooding, for which BFEs or average depths have been determined.
AR/AH	Zone AR/AH	An area inundated by flooding, for which BFEs or average depths have been determined.

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Addenda

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control

rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are; floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium

A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service ($DCR = NOI/Im$), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the

same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;
- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1) The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM

Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate

A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Fair Market Value

The price at which the property should change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both

having reasonable knowledge of relevant facts. [Treas. Reg. 20.2031-1(b); Rev. Rul. 59-60. 1959-1 C.B. 237]

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value

- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area

The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expense in income-producing properties when less than 100

percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest & Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved –specific with respect to the user and timing of the use–that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary) (Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.

- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;

- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease

may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior, or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net leases, or fully net lease. (Dictionary)

(The market definition of a triple net leases varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas on a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



SERVICES

Valuation and Advisory Services for All Types of Property and Land

- Office
- Industrial
- Retail
- Apartments/multifamily/senior living
- Lodging/hospitality/recreational
- Other special-purpose properties

SPECIALTY SERVICES

- Portfolio valuation
- REO/foreclosure evaluation
- Real estate market and feasibility analysis
- Property and lease comparables, including lease review
- Due diligence
- Property tax assessment and appeal-support services
- Valuations and analysis of property under eminent domain proceedings
- Valuations of property for financial reporting, including goodwill impairment, impairment or disposal of long-lived assets, fair value and leasehold valuations
- Valuation of property for insurance, estate planning and trusteeship, including fractional interest valuation for gifting and IRS purposes
- Litigation support, including expert witness testimony
- Business and partnership valuation and advisory services, including partial interests

 **Valbridge**
PROPERTY ADVISORS

OFFICE LOCATIONS

ALABAMA

Valbridge Property Advisors | Real Estate Appraisers, LLC
4732 Woodmere Boulevard
Montgomery, AL 36106
334-277-5077

ARIZONA

Valbridge Property Advisors | MJN Enterprises, Inc.
6061 E. Grant Road, Suite 121
Tucson, AZ 85712
520-321-0000

CALIFORNIA

Valbridge Property Advisors | Michael Burger & Associates
4915 Calloway Drive, Suite 101
Bakersfield, CA 93312
661-587-1010

Valbridge Property Advisors | Cummings Appraisal Group, Inc.
99 S. Lake Avenue, Suite 21
Pasadena, CA 91101
626-744-0428

Valbridge Property Advisors | Hulberg & Associates, Inc.
225 Crossroads Blvd, Suite 326
Carmel, CA 93923
831-917-0383

2813 Coffee Road, Suite E-2
Modesto, CA 95355
209-569-0450

One North Market Street
San Jose, CA 95113
408-279-1520

3160 Crow Canyon Place, Suite 245
San Ramon, CA 94583
925-327-1660

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1370 N. Brea Boulevard, Suite 255
Fullerton, CA 92835
714-449-0852

Valbridge Property Advisors | Ribacchi & Associates
10301 Placer Lane, Suite 100
Sacramento, CA 95827
916-361-2509

COLORADO

Valbridge Property Advisors | Bristol Realty Counselors
5345 Arapahoe, Suite 7
Boulder, CO 80303
303-443-9600

Valbridge Property Advisors | Mountain West
562 Highway 133
Carbondale, CO 81623
970-340-1016

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6 Central Row, Third Floor
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17 High Street, Suite 214
Norwalk, CT 06851
203-286-6520

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Naples, FL 34109
239-514-4646

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603 Hillcrest Street
Orlando, FL 32803
407-839-3626

Valbridge Property Advisors | Boyd, Schmidt & Brannum
2711 Poinsettia Avenue
West Palm Beach, FL 33407
561-833-5331

Valbridge Property Advisors | Broom, Moody, Johnson & Grainger, Inc.
121 West Forsyth Street, Suite 1000
Jacksonville, FL 32202
904-296-3000

Valbridge Property Advisors | Entrenken Associates, Inc.
1100 16th Street N
St. Petersburg, FL 33705
727-894-1800

GEORGIA

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2675 Paces Ferry Road, Suite 145
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678-644-4853

IDAHO

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1875 N. Lakewood Drive, Suite 100
Coeur d'Alene, ID 83814
208-292-2965

Valbridge Property Advisors | Mountain States Appraisal & Consulting, Inc.
1459 Tyrell Lane, Suite B
Boise, ID 83706
208-336-1097

INDIANA

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820 Fort Wayne Avenue
Indianapolis, IN 46204
317-687-2747

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Valbridge Property Advisors | Shaner Appraisals, Inc.
10990 Quivira, Suite 100
Overland Park, KS 66210
913-451-1451

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214 South 8th Street, Suite 200
Louisville, KY 40202
502-585-3651

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512 North Causeway Boulevard
Metairie, LA 70001
504-833-8234

7607 Fern Avenue, Suite 104
Shreveport, LA 71105
318-797-0543

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Valbridge Property Advisors | Lipman Frizzell & Mitchell LLC
6240 Old Dobbin Lane, Suite 140
Columbia, MD 21045
410-423-2300

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21 Muzzev Street, Suite 2
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781-652-0700

MICHIGAN

Valbridge Property Advisors | The Oetzel-Hartman Group
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517-336-0001

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612-253-0650

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3034 S. Durango Drive, Suite 100
Las Vegas, NV 89117
702-242-9369

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Valbridge Property Advisors | Oxford Group
2740 Route 10 West, Suite 204
Morris Plains, NJ 07950
973-970-9333

2052 Route 35, Suite 104
Wall Township, NJ 07719
732-807-3113

NEW YORK

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424 West 33rd Street, Suite 630
New York, NY 10001
212-268-1113

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Valbridge Property Advisors | John Bosworth & Associates, LLC
4530 Park Road, Suite 100
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704-376-5400

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412 E. Chatham Street
Cary, NC 27511
919-859-2666

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Akron, OH 44313
330-899-9900

526 E. Superior Avenue, Suite 455
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216-367-9690

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Tulsa, OK 74133
918-712-9992

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4701 Baptist Road, Suite 304
Pittsburgh, PA 15227
412-881-6080

Valbridge Property Advisors | Lukens & Wolf, LLC
150 S. Warner Road, Suite 440
King of Prussia, PA 19406
215-545-1900

SOUTH CAROLINA

Valbridge Property Advisors | Atlantic Appraisals, LLC
800 Main Street, Suite 220
Hilton Head Island, SC 29926
843-342-2302

1250 Fairmont Avenue
Mt. Pleasant, SC 29464
843-884-1266

Valbridge Property Advisors | Robinson Company
610 N. Main Street
Greenville, SC 29601
864-233-6277

TENNESSEE

Valbridge Property Advisors | R.K. Barnes & Associates, Inc.
112 Westwood Place, Suite 300
Brentwood, TN 37027
615-369-0670

Valbridge Property Advisors | C & I Appraisal Services, Inc.
6750 Poplar Avenue, Suite 706
Memphis, TN 38138
901-753-6977

Valbridge Property Advisors | Meridian Realty Advisors, LLC
701 Broad Street, Suite 209
Chattanooga, TN 37402
423-285-8435

TEXAS

Valbridge Property Advisors | Dugger, Canaday, Graf, Inc.
111 Soledad, Suite 800
San Antonio, TX 78205
210-227-6229

Valbridge Property Advisors | The Gerald A. Teel Company, Inc.
Two Energy Square
4849 Greenville Avenue, Suite 1495
Dallas, TX 75206
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974 Campbell Road, Suite 204
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260 South 2500 West, Suite 301
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801-492-9328

1100 East 6600 South, Suite 201
Salt Lake City, UT 84121
801-262-3388

20 North Main, Suite 304
St. George, UT 84770
435-773-6300

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656 Independence Parkway, Suite 220
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Richmond, VA 23225
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757-345-0010

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425-450-4040

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Everett, WA 98201
425-258-2611

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Firorest, WA 98466
253-274-0099

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Seattle, WA 98104
206-209-3016

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509-221-1540

324 N. Mullan Road
Spokane Valley, WA 99206
509-747-0999

WISCONSIN

Valbridge Property Advisors | Vitale Realty Advisors, LLC
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Brookfield, WI 53005
262-782-7990

CORPORATE OFFICE 2240 Venetian Court Naples, FL 34109 239-325-8234 phone 239-325-8356 fax valbridge.com

Attachment 8 Form of Deed

Recording Requested By and
When Recorded Return to:

SPACE ABOVE THIS LINE FOR
RECORDER'S USE ONLY

SPECIAL WARRANTY DEED

THE URBAN RENEWAL AGENCY OF _____, also known as _____ DEVELOPMENT CORPORATION ("**Grantor**"), for valuable consideration paid by _____, an Idaho limited liability company ("**Grantee**"), which has a current address of _____, does hereby sell, transfer and convey unto Grantee, all of that certain real property located in _____ County, Idaho, and described on Exhibit "A" attached hereto and incorporated herein ("**Property**").

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title and interest in and to the Property.

To have and to hold, all and singular the Property together with its appurtenances unto Grantee and Grantee's successors and assigns forever.

Grantor makes no covenants or warranties with respect to title, express or implied, other than that previous to the date of this instrument, Grantor has not conveyed the same estate to any person other than Grantee and that such estate is at the time of the execution of this instrument free from encumbrances done, made or suffered by the Grantor, or any person claiming under Grantor, subject to any and all easements, restrictions, agreements and encumbrances of record or appearing on the land as of the date of this instrument.

1. The Property is conveyed subject to:
 - a. The Disposition and Development Agreement entered into by and between the Grantor and Grantee and dated _____, 20____, as implemented by any subsequent implementation agreements between Grantor and Grantee (herein collectively referred to as the "DDA") and the Redevelopment Plan (as defined in the DDA); the full text of the Redevelopment Plan, the DDA and

such implementation agreements are available for review at the offices of the Grantor and the City of Boise.

2. The Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, the Grantee shall use, operate, and maintain the Property for the uses specified in the Redevelopment Plan and (unless expressly waived in writing by the Grantor) for the specific use as follows:

The Property shall be used only for a mixed-use condominium project constructed in accordance with the Scope of Development (Attachment 3 to the DDA) until December 31, _____. The period of time from the date of issuance by the Grantor of a Certificate of Completion, pursuant to the DDA, until December 31, _____, shall be referred to hereinafter as the "Use Covenant Period."

3. Prior to commencement of construction of the improvements as required in the DDA and notwithstanding any provisions in the DDA to the contrary, the Grantee shall not enter into, create, or suffer any transfer of title, assignment, lien, or other encumbrances without the written consent of the Grantor. On or following commencement of construction of the improvements as required by the DDA, the following provisions of this paragraph shall apply.

Prior to the recordation by the Grantor of a Certificate of Completion of construction as provided in the DDA, the Grantee shall not, except as permitted by the DDA, assign or attempt to assign or lease the whole or any part of the Property (or any portion thereof) or of the improvements to be constructed thereon without the prior written approval of the Grantor. This prohibition shall not be applicable to a transfer or transfers to any entity or entities owned or controlled by the Grantee transfer permitted by the DDA. This prohibition shall not apply to any of such Property (or any portion thereof) subsequent to the recordation of the Certificate of Completion with respect to the construction of the improvements thereon or to a sale of any such Property (or any portion thereof) at foreclosure (or to a conveyance thereof in lieu of a foreclosure) pursuant to a foreclosure thereof by a lender approved by the Grantor under the DDA. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of such property or to prohibit or restrict the leasing or selling of any part or parts thereof or of any improvements constructed thereon with respect to which a Certificate of Completion has been issued by the Grantor.

4. The Grantee covenants by and for itself, its heirs, executors, administrators, assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital

status, age, handicap, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property; nor shall the Grantee itself, or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

5. No violation or breach of the covenants, conditions restrictions, provisions, or limitations contained in this Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust, or other financing or security instrument permitted by the DDA; provided, however, any successor of the Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations, and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale, or otherwise.
6. Except as otherwise provided, the covenants contained in paragraph 2 of this Deed shall remain in effect until December 31, 2024. The covenants contained in paragraphs 2, 3, 4, 5, and 6 of this Deed shall be binding for the benefit of the Grantor, its successors and assigns, and any successor in interest to the Property, or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor and such aforementioned parties, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. The covenants contained in this Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors, and such aforementioned parties. Notwithstanding the foregoing, if Grantee or any subsequent owner of any portion of the Property conveys any portion of the Property, such owner shall, upon the conveyance, be released and discharged from all of its obligations in connection with the portion of the Property conveyed by it arising under this Deed after the conveyance but shall remain liable for all obligations in connection with the portion of the Property so conveyed arising under this Deed prior to the conveyance. The new owner of any such portion of the Property shall be liable for all obligations arising under this Deed with respect to such portion of the Property after the conveyance.
7. In the event of any express conflict between this Deed and the DDA, the provisions of this Deed shall control.
8. Any amendments to the Redevelopment Plan which change the uses or development permitted on the Property as proposed in the DDA or otherwise change the restrictions or controls that apply to the Property or otherwise affect the grantee's obligations or rights with respect to the Property shall require the written consent of the Grantee. Amendments to

the Redevelopment Plan applying to other property in the Project Area shall not require the consent of the Grantee.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized.

GRANTOR:

URBAN RENEWAL AGENCY

By

Executive Director

Date:_____

The provisions of this Deed are hereby approved and accepted:

GRANTEE:

_____, a Delaware limited liability company

By

Its_____

Date:_____

ACKNOWLEDGEMENTS

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ known or identified to me to be the Executive Director of The Urban Renewal Agency of the City of Boise, also known as the Capital City Development Corporation, the entity that executed the within instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My commission expires _____

STATE OF IDAHO)
) ss.
County of _____)

On this ____ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____, known or identified to me to be the _____, respectively, of _____, an _____ limited liability, the entity that executed the within instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My commission expires _____

PROPERTY DESCRIPTION EXHIBIT "A"

[To be attached]

Attachment 9 Form of Memorandum



AGENDA BILL

Agenda Subject: Resolution 1415 Grant Easements to The District for the Boise Centre Expansion's Concourse and Approve Related Memorandum of Understanding		Date: December 14, 2015
Staff Contact: Doug Woodruff	Attachments: Resolution 1415 including the Concourse Easement Agreement	
Action Requested: Adopt Resolution 1415 approving the easement as presented and authorize Agency's Executive Director to negotiate and execute the final form of the easement and MOU.		

Fiscal Notes:

Granting the concourse easement does not include any monetary compensation to CCDC. Boise Centre and CCDC agree that it is more beneficial to assist one another with each agency's respective construction projects than it is to monetarily compensate for items such as easements. In tandem with negotiating and executing this easement agreement an MOU is being developed. Topics to be considered in the MOU include: plaza storage, construction of restroom facilities, oversight of restroom facilities, management of the renovated plaza, reconciling any additional property rights and/or use restrictions within the plaza, and cooperating in obtaining any necessary third party consents.

Background:

The Boise Centre expansion includes a third level concourse that bridges the south spoke of The Grove Plaza and provides internal passage between the existing convention center and the expansion facility. In order for Boise Centre to obtain building permits and construct the concourse CCDC must grant easements to construct occupied space on and above the Agency's property.

The concourse construction documents are 90% complete. Exhibit C accurately portrays the concourse design. The easement legal depiction and description will be completed prior to executing the final agreement.

Description of Concourse

The concourse is composed of three main components. A sky bridge spans the south spoke of The Grove Plaza and is supported by four columns with footings on the plaza. A terrace (open-air canopy structure) extends the face of the Boise Centre over the main entry. It is supported by six columns. A stair tower that provides emergency egress for the terrace is located at the west end of the terrace. It encroaches approximately 10' into the plaza. For more information refer to the Architectural drawings in Exhibit C of the Agreement.

Staff Recommendation:

Approve the easement as presented with the final form of legal depiction/description subject to review and approval by Agency counsel.

Authorize Executive Director to negotiate and execute an MOU that addresses plaza storage, construction of restroom facilities, oversight of restroom facilities, management of the renovated plaza, reconciling any additional property rights and/or use restrictions within the plaza, and cooperating in obtaining any necessary third party consents.

Suggested Motion:

I move to adopt Resolution 1415 approving the easement as presented and authorize Agency's Executive Director to negotiate and execute the final form of the easement and MOU.

RESOLUTION NO. 1415

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING THE CONCOURSE EASEMENT AGREEMENT BY AND BETWEEN THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE AND THE GREATER BOISE AUDITORIUM DISTRICT; AUTHORIZING THE CHAIRMAN, VICE-CHAIRMAN, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS OR AGREEMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION is made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively the "Act"), a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency;"

WHEREAS, the City Council of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the 1987 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "Boise Central District Urban Renewal Plan") and, following said public hearing, the City adopted its Ordinance No. 5026 on August 19, 1987, approving the Boise Central District Urban Renewal Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the 1994 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "1994 Amended Urban Renewal Plan") and, following said public hearing, the City adopted its Ordinance No. 5597 on December 6, 1994, approving the 1994 Amended Urban Renewal Plan and making certain findings; and,

WHEREAS, the City, after notice duly published, conducted a public hearing on the 2007 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4, and Project II, Idaho R-5 (the "Central District Plan") and, following said public hearing, the City adopted its Ordinance No. 6576 on June 26, 2007, effective upon publication on July 23, 2007, approving the Central District Plan; and,

WHEREAS, the Greater Boise Auditorium District (the "District") is a public body organized and operating under the laws of the State of Idaho as an auditorium district pursuant to Title 67, Chapter 49 of the Idaho Code; and,

WHEREAS, Agency is the owner of certain real property consisting of the Grove Plaza and certain pedestrian walkways (collectively the "Grove Plaza") that was obtained through the vacation of 8th Street between Main Street and Front Street and Grove Street between Capitol Boulevard and 9th Street, all located in Ada County, Idaho, pursuant to that certain Vacation of

Public Right-Of-Way, dated September 28, 1973, and recorded in the Official Records of Ada County, Idaho, as Instrument No. 862452; and,

WHEREAS, the District owns that real property and convention center commonly known as the "Boise Centre on the Grove" located adjacent to the Grove Plaza; and,

WHEREAS, the District has selected KC Gardner Riverwoods, L.C., a Utah limited liability company authorized to do business in Idaho, or an affiliate of KC Gardner Company, L.C. (collectively "Gardner"), to develop, design, and construct an expansion of the Boise Centre on the Grove which will include a concourse connecting the existing facilities to the expansion facilities (the "Centre Building"); and,

WHEREAS, under certain provisions of the Idaho Urban Renewal Law, in particular Idaho Code §§ 50-2007 and 50-2011, and pursuant to the Central District Plan, Agency is empowered to enter into contracts with respect to the contribution of funds and the transfer of real property within its urban renewal area, or any interest therein, to other public entities or otherwise assist and cooperate with public entities on public projects within its jurisdiction; and,

WHEREAS, Agency staff and the District desire to negotiate and execute a Concourse Easement Agreement, a preliminary draft of which is attached hereto as Exhibit A, in order to facilitate development of the Centre Building and the construction of a portion of a concourse from the Centre Building to the existing Boise Centre on the Grove, which concourse crosses over the Grove Plaza as depicted in the draft Concourse Easement Agreement; and,

WHEREAS, Agency deems it appropriate to proceed with negotiations for the Concourse Easement Agreement and execute it with the District once finalized with an accurate legal description and drawings; and

WHEREAS, the Agency Board of Commissioners finds it in the best public interest to authorize the Chairman, Vice-Chairman, or Executive Director to execute the Concourse Easement Agreement for a concourse crossing over the Grove Plaza as depicted in Exhibit A once negotiations are finalized by the parties with inclusion of an accurate legal description of the easement and accurate drawings.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That the Concourse Easement Agreement, a copy of which is attached hereto as Exhibit A in its draft form and incorporated herein by reference, be and the same hereby is approved.

Section 3: That the Chairman, Vice-Chairman, or Executive Director of Agency are hereby authorized to sign and enter into the Concourse Easement Agreement and to execute all necessary documents required to implement the actions contemplated by the Concourse Easement Agreement once an accurate legal description and drawings are prepared and available for attachment as required by the Agreement, subject to representations by Agency staff and Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical and substantive changes to the Concourse Easement Agreement or other documents are acceptable, upon advice from Agency's legal counsel that

said changes are consistent with the provisions of the Concourse Easement Agreement and the comments and discussions received at the December 14, 2015, Agency Board meeting; Agency is further authorized to appropriate any and all funds contemplated by the Concourse Easement Agreement and to perform any and all other duties required pursuant to said Concourse Easement Agreement.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Boise City, Idaho, on December 14, 2015. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 14, 2015.

APPROVED:
URBAN RENEWAL AGENCY OF BOISE CITY

By: _____
John Hale, Chairman

Date: _____

ATTEST:

By: _____
Secretary

Date: _____

Recording Requested By and
When Recorded Return to:

GIVENS PURSLEY LLP.
Attn: Kimberly D. Maloney
601 W. Bannock St.
Boise, Idaho 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

CONCOURSE EASEMENT AGREEMENT

This Concourse Easement Agreement (“**Agreement**”) is made and entered into this ____ day of December, 2015, by and between the CAPITAL CITY DEVELOPMENT CORPORATION (“**Agency**”) and GREATER BOISE AUDITORIUM DISTRICT, a governmental subdivision of the State of Idaho and a body corporate with all the powers of a public or quasi-municipal corporation (“**District**”), whose address is 850 West Front Street, Boise, Idaho, 83702, collectively the “Parties.”

RECITALS

WHEREAS, Agency, an independent public body, corporate and politic, is an urban renewal agency created by and existing under the authority of and pursuant to the Idaho Urban Renewal Law of 1965, being Idaho Code, Title 50, Chapter 20, as amended and supplemented (the “**Law**”);

WHEREAS, the District is a public body organized and operating under the laws of the State of Idaho as an auditorium district pursuant to Title 67, Chapter 49 of the Idaho Code (the “**Act**”);

WHEREAS, the Act authorizes the District to acquire, operate and maintain public convention and auditorium facilities;

WHEREAS, the District owns that real property and convention center commonly known as the Boise Centre and legally described on Exhibit A (“**Boise Centre**”)

WHEREAS, Agency is the owner of the Grove Plaza and the 8th Street pedestrian walkway, all located in Ada County, Idaho, pursuant to that certain Vacation of Public Right-Of-Way, dated September 28, 1973, and recorded in the Official Records of Ada County, Idaho, as Instrument No. 862452;

WHEREAS, the District is expanding its existing convention center facilities through the purchase and/or lease of certain condominium units described on Exhibit B (the “**Expansion Facilities**”) in the mixed use City Center Plaza project being developed by KC Gardner Company, L.C. (“**Developer**”).

WHEREAS, the District desires to construct an elevated connection between the existing Boise Centre and the Expansion Facilities, together with related exterior improvements including a terrace in front of the Boise Centre and an associated stair tower, substantially in accordance with the design drawings attached hereto as Exhibit C, and the plans and specifications that are approved by the Agency (collectively, the “**Concourse**”);

WHEREAS, in furtherance of the development of the Concourse, the Developer and Agency have previously entered into a Declaration of Access Easement and Centre Air Rights Easement, recorded in the Official Records of Ada County, Idaho, on April 6, 2015 as Instrument No. 2015-027953 to provide for the connection between the Expansion Facilities and the Concourse;

WHEREAS, also in furtherance of the development of the Concourse, the District has entered into an Easement Agreement with Block 22 LLC, an Idaho limited liability company and Block Twenty-Two Condominiums Association, Inc., an Idaho non-profit corporation, recorded in the Official Records of Ada County, Idaho, on March 20, 2015 as Instrument No. 2015-022569 (the “**Block 22 Easement**”) to provide an easement over the 3rd story plaza in the Block 22 Condominiums for construction of a portion of the Concourse;

WHEREAS, to complete the connection and allow for construction of the Concourse, the Agency and the District desire to enter into this Agreement to allow for additional air rights over, and certain ground encroachments on, the Grove Plaza and the 8th Street pedestrian walkway, all as more particularly described herein; and

WHEREAS, Agency finds that it is in the best interests of the public that the Concourse be constructed and that it grant the District the rights set forth herein.

NOW, THEREFORE, in consideration of the mutual benefits to be derived hereunder, District and Agency agree as follows:

AGREEMENT

1. Boise Centre Concourse Air Rights Easement. Agency hereby declares, grants, creates, and establishes a perpetual, non-exclusive easement in favor of the District, its successors and assigns, for the benefit of the Boise Centre and the Expansion Facilities, to encroach into the Grove Plaza and the 8th Street pedestrian walkway in the area legally described and depicted on Exhibit D as the “**Boise Centre Concourse Easement**” generally at the elevations shown on Exhibit C in the space depicted and legally described on Exhibit D (the “**Concourse Air Rights Easement**”), attached hereto and incorporated herein. The Concourse Air Rights Easement is granted only to the extent reasonably necessary to accommodate the construction of a connection from the District’s Expansion Facilities to the 3rd story plaza in the adjoining Block 22 Condominiums and to the existing Boise Centre, together with related exterior improvements, including a terrace and stair tower, as depicted on Exhibit C. The Concourse Air Rights Easement does not include a right to construct ground level

improvements in the space underneath the Concourse unless otherwise specifically authorized herein.

2. Concourse Ground Support Easement. As shown on the Concourse design drawings attached as Exhibit C, the District and Agency desire to include a terrace over the Grove Plaza as part of the Concourse, with an associated stair tower located at the north end of the terrace, as shown on Exhibits C and D (the “**Stair Tower**”). The Concourse also includes structural posts that will each be limited in size to a 2.5 square foot footprint with no single width dimension greater than 24 inches, and subsurface 3’ x 3’ footings all as shown generally on Exhibits C and D (collectively, the “**Concourse Columns**”). Agency does hereby declare, grant, create and establish for the benefit and use of the District, or any successive owner of the Boise Centre and/or the Expansion Facilities, an exclusive easement for the Concourse Columns and the Stair Tower to be constructed and located in the Boise Centre Concourse Easement in approximately the locations shown as “Concourse Support Columns” and “Stair Tower” on Exhibit D attached hereto (the “**Ground Support Easement**”) in order to locate and maintain the necessary footings, columns and foundations for the Concourse and to, locate and maintain the Stair Tower. Prior to the construction of the Concourse, including the Concourse Columns, District must execute a construction license agreement with Agency in a form reasonably acceptable to both parties. The final location of the Concourse Columns shall be subject to Agency approval as set forth in Section 5 below and shall be located entirely within the Boise Centre Concourse Easement legally described on Exhibit D.

3. Easement for Drainage Pipe. Agency does hereby declare, grant, create and establish for the benefit and use of the District, or any successive owner of the Boise Centre and/or the Expansion Facilities, an exclusive easement for the location of a storm drain pipe and storm drain cleanouts within the Boise Centre Concourse Easement in approximately the location shown on Exhibit D (the “**Drainage Pipe Easement**”) The Drainage Pipe Easement shall include the right of the District and its successors, and each of their contractors, employees and agents to use the Grove Plaza and the 8th Street pedestrian walkway to access the Drainage Pipe Easement area for the purpose of maintenance and repair, as necessary, of the storm drain pipe, storm drain cleanouts and related facilities.

4. Reserved Rights. Subject to the reservation of signage rights set forth in the Block 22 Easement, the Agency hereby reserves for itself and its successors and assigns the right to permanently affix and display Grove Plaza identification signage on both the north and south sides of that portion of the Concourse that extends over vacated 8th Street (south spoke). The display area for all such signage will be limited to the bottom 2’ of the Concourse plus an additional 2’ of air space below the Concourse. The Agency hereby further reserves for itself and its successors and assigns the right to permanently mount plaza enhancing features, including, but not limited to, sound and lighting equipment, web cams, and Wifi equipment, on the terrace of the Concourse; provided, however, the location of all such mounted features shall be subject to the approval of the District, not to be unreasonably withheld or delayed. Prior to

commencement of any construction on the Concourse, District and Agency shall agree upon the location of the signs as set forth in Section 5.

5. Approval of Concourse Plans. Prior to commencement of any construction on the Concourse, the District shall submit its design and construction plans ("Plans") to the Agency for approval by Agency in writing. Agency retains sole discretion to approve of the Plans, provided Agency acknowledges and agrees that the Concourse design shown on Exhibit C is hereby approved. When transmitting its approval of the Plans, Agency may designate the location of any signs permitted pursuant to Section 4. District shall furnish and install mounting brackets on the Concourse during construction to accommodate Agency's signs in the locations Agency identifies in its approval of the Plans.

6. Repair of Damages. The District shall exercise its rights hereunder in a manner so as not to damage Agency's property or any property that may at any time be thereon, and the District shall promptly repair any damage caused by the District or its agents, employees, or contractors, and in the event of any such damage, shall restore Agency's property or any property located thereon to substantially the same condition which existed immediately prior to the performance of any work thereon by or on behalf of the District or a better condition.

7. Term. From the date of this Agreement to the completion of the Concourse and thereafter for so long as the Concourse shall exist, following its initial construction and following its reconstruction, if necessary, where the Concourse is substantially restored to its prior condition following its redevelopment, or any damage caused by casualty or condemnation, the Grove Plaza and 8th Street pedestrian walkway shown on Exhibit C shall be held, sold, conveyed, restricted and encumbered subject to and by this Agreement, and the easements created herein, for the purpose of protecting the value and desirability of the Concourse and the Boise Centre, including the Expansion Facilities.

8. Binding Effect. Each covenant, condition and restriction contained or incorporated in this Agreement shall run with the land and be binding upon the Grove Plaza, the 8th Street pedestrian walkway and on Agency and all other persons, entities, or parties, and its or their heirs, successors and assigns, having any right, title or interest in the Grove Plaza, the 8th Street pedestrian walkway, or any part, parcel or lot thereof, and shall inure to the benefit of all and any portion of the Concourse, the Boise Centre, the Expansion Facilities, and all present and future owners of all or any portion thereof. Without limiting the generality of the foregoing, all of the provisions set forth in this Agreement shall benefit each owner, lessee, tenant and subtenant of any portion of the Concourse, the Boise Centre and the Expansion Facilities, and each of their guests, invitees, licensees, successors or assigns.

9. Severability. If any portion of this Agreement is declared illegal, null, void, or otherwise ineffective by a court of competent jurisdiction, the remaining portions of this Agreement shall remain in full force and effect, and the court is authorized to modify

the offending provisions only so far as necessary to assure its compliance with applicable law.

10. Enforcement. The District, the Agency and their successors and assigns in ownership of the Boise Centre, Expansion Facilities, Grove Plaza and 8th Street pedestrian walkway shall be entitled to enforce the provisions of this Agreement, and each covenant, condition and restriction herein, by legal or equitable action for damages, injunction, abatement or specific performance. In the event of legal action, the substantially prevailing party will be entitled to recover its costs and reasonable attorney fees (including such costs and fees on appeal) as ordered by the court.

11. Modification. This Agreement may be modified or rescinded only with the consent of the District, or its successor(s) in interest, and only by written instrument duly executed and acknowledged by the District or its successor(s) in interest. Any such amendment or rescission shall be promptly recorded in the Ada County Recorder's Office, State of Idaho. The parties acknowledge and agree that, if the condominium documents required to create the Expansion Facilities have not been recorded in the official records of Ada County, Idaho, prior to the recording of this Agreement, that the parties shall prepare and record an amendment to this Agreement setting forth the legal description of the Expansion Facilities following recording of the condominium documents.

12. General Provisions.

(a) Notices. Any notices required hereunder shall be served to the Parties at the following addresses:

If to Agency: Capital City Development Corporation
 121 N. 9th St., Ste. 501
 Boise, ID 83702

If to District: Greater Boise Auditorium District
 850 West Front Street
 Boise, Idaho 83702

All notices under this Agreement shall be in writing and delivered in person or sent by registered or certified mail, postage prepaid, to the Parties at the above-stated addresses or such other address(es) as may from time to time be designated by any such party in writing. Notices mailed as provided in this Section shall be deemed given and received on the date that is three (3) business days following the date of postmark in the case of mailing.

(b) Times Is of the Essence. Time is of the essence of the provisions hereof.

(c) Entire Agreement. This Agreement embodies the entire agreement among the Parties. There are no other agreements, warranties, or representations among said Parties other than as set forth relating to this Agreement.

(d) Choice of Law. It is the intention of the Parties that this Agreement, the performance hereunder, and all suits and special proceedings hereunder shall be construed in accordance with, under, and pursuant to the laws of the State of Idaho. This Agreement is entered into in Idaho and shall be governed by and interpreted under the laws of the State of Idaho.

(e) Headings. Headings are provided for the convenience of the Parties and shall not be utilized by any court in construing the meaning of this Agreement.

(f) Binding Effect. This Agreement and all terms and obligations hereof shall inure to the benefit of and be binding upon the Parties hereto and their successors and assigns and shall be appurtenant to and run with the real property described herein.

(g) Authority to Execute. Each individual signing this Agreement on behalf of a party warrants that he or she is fully authorized to sign this Agreement and to bind the party on whose behalf the signature is given.

(h) Recitals. The Parties agree that the foregoing recitals are not mere recitations but are covenants of the Parties, binding upon them as may be appropriate and a portion of the consideration for the agreements contained herein.

(i) Interpretation. Capitalized terms shall have the meanings defined where the terms appear in quotation marks.

**EXECUTED AND EFFECTIVE AS OF THE DATE SIGNED BY THE PARTIES
(LAST DATE SIGNED)**

[Signatures on Following Pages]

AGENCY:

URBAN RENEWAL AGENCY OF BOISE CITY
a/k/a Capital City Development Corporation

By: _____
Name: _____
Its: _____

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 2015, before me,
_____, a notary public in and for said state, personally appeared
_____, known to me to be the
_____ of Urban Renewal Agency of Boise City, a/k/a Capital
City Development Corporation, who executed the within and foregoing instrument, and
acknowledged to me that Capital City Development Corporation executed the same.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.

Notary Public for Idaho
Residing at _____
My Commission Expires _____

DISTRICT:

GREATER BOISE AUDITORIUM DISTRICT a governmental subdivision of the State of Idaho and a body corporate with all the powers of a public or quasi-public corporation

By: _____
Jim Walker
Chairman

By: _____
Pat Rice
Executive Director

STATE OF _____)
: ss.
COUNTY OF _____)

On the ____ day of _____, 2015, before me, the undersigned, a notary public in and for said State, personally appeared _____, the _____ of Greater Boise Auditorium District, a governmental subdivision of the State of Idaho and a body corporate with all the powers of a public or quasi-municipal corporation that executed the instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

NOTARY PUBLIC
Notary Public for _____
Residing at _____
My commission expires _____

STATE OF _____)
: ss.
COUNTY OF _____)

On the ____ day of _____, 2015, before me, the undersigned, a notary public in and for said State, personally appeared _____, the _____ of Greater Boise Auditorium District, a governmental subdivision of the State of Idaho and a body corporate with all the powers of a public or quasi-municipal corporation that executed the instrument or the person who executed the instrument on behalf of said entity, and acknowledged to me that such entity executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Seal]

NOTARY PUBLIC
Notary Public for _____
Residing at _____
My commission expires _____

Exhibit A

Legal Description of Boise Centre

Parcel 1

A parcel of land in Block 21, and in vacated Eighty and original Grove Streets, BOISE CITY ORIGINAL TOWNSITE, according to the official plat thereof, filed in Book 1 of Plats at Page 1 records of Ada County, Idaho, and more particularly described as follows:

Commencing at a brass cap monument marking the intersection of Ninth and Front Streets; thence North $35^{\circ}10'05''$ East 40.07 feet along the centerline of Ninth Street to a point; thence South $54^{\circ}46'55''$ East 40.01 feet to the most Westerly corner of said Block 21; thence North $35^{\circ}13'17''$ East 77.10 feet along the most Westerly boundary of Block 21 to a point and the TRUE POINT OF BEGINNING; thence North $35^{\circ}13'17''$ East 182.91 feet to the most Northerly corner of Block 21; thence North $35^{\circ}12'08''$ East 37.08 feet to a point, thence South $54^{\circ}47'33''$ East 240.89 feet along a line 3.00 feet Southwesterly of and parallel to the centerline of vacated original Grove Street to a point; thence along a curve to the left 123.88 feet, said curve having a radius of 100.00 feet, a central angle of $70^{\circ}58'39''$ and a long chord bearing South $7^{\circ}44'53''$ East 116.11 feet to a point; thence South $35^{\circ}13'35''$ West 195.02 feet along a line 20.00 feet Westerly of and parallel to the centerline of vacated Eight Street to a point; thence North $54^{\circ}47'36''$ West 259.99 feet to a point; thence along a curve to the right 94.26 feet, said curve having a radius of 60.00 feet, a central angle $90^{\circ}00'53''$ and a long chord bearing North $9^{\circ}47'09''$ West 84.86 feet to the TRUE POINT OF BEGINNING.

Containing 84,001.34 square feet or 1.928 acres, more or less.

Parcel 2

A parcel of land in vacated Original Grove Street between 9th and 8th Streets, BOISE CITY ORIGINAL TOWNSITE, according to the official plat thereof, filed in Book 1 of the Plats at Page 1, records of Ada County, Idaho, and more particularly described as follows:

Commencing at a brass cap monument marking the intersection of 9th Street and Main Street of said BOISE CITY ORIGINAL TOWNSITE; thence along the centerline of Main Street South $54^{\circ}47'55''$ East, 40.05 feet to a point; thence South $35^{\circ}13'17''$ West, 40.09 feet to the most northerly corner of said Block 9; thence continuing South $35^{\circ}13'17''$ West 260.00 feet along the easterly right-of-way line of 9th Street to the most westerly corner of Block 9; thence continuing South $35^{\circ}13'17''$ West, 13.84 feet to a point; thence South $54^{\circ}47'33''$ East, 130.00 feet along a line 26.25 feet northeasterly of and parallel to the vacated centerline of Original Grove Street to a point, and the TRUE POINT OF BEGINNING; thence South $35^{\circ}12'27''$ West 29.25 feet to a point;

thence South 54°47'33" East 70.00 feet along a line 3.00 feet southwesterly of parallel to the vacated centerline of Original Grove Street to a point; thence North 35°12'27" East 29.25 feet to a point; thence North 54°47'33" West 700.00 feet along a line 26.25 feet northeasterly of and parallel to the vacated centerline of Original Grove Street to the TRUE POINT OF BEGINNING.

This parcel shall consist only of surface and air rights. Elevations above Mean Sea Level for the bottom of the parcel shall be understood to control the elevation of ownership. The top of the concrete wearing surface that will be constructed over a waterproof membrane and roofing slab over the underground parking facility, varying in elevation from 2745.5 to 2746.25, Boise City Datum will define the ownership.

Utility easements penetrating the wearing surface, membrane and basement roofing slab with horizontal extensions to the edge of the parcel shall be provided at locations to be determined in the final design.

Containing 2,047.50 square feet or 0.047 acres, more or less.

Exhibit B

Legal Description of Expansion Facilities

Unit 1F, Unit 1G, Unit 1J, Unit 2B, Unit 4B, and Unit 5B, together with all appurtenant Common Area and Limited Common Area, which Units will be created upon recording of the final amended Plat for U.S. Bank Plaza Condominiums and Amended and Restated Declaration of Covenants, Conditions and Restrictions for U.S. Bank Plaza Condominiums.

Exhibit C

Concourse Design Drawings

BOISE CENTRE 2015 EXPANSION SPACE
PART II - ELEVATED CONCOURSE

100% CONSTRUCTION DOCUMENTS PACKAGE 12/18/2015



GENERAL CONSTRUCTION AND GENERAL DEMOLITION NOTES
1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF BOISE AND THE BOISE AIRPORT AUTHORITY...

PROJECT TEAM
OWNER: GREATER BOISE AIRPORT DISTRICT - BOISE CENTRE
CONTRACTOR: HORROCKS ENGINEERS
ARCHITECT: TVS DESIGN, LLC

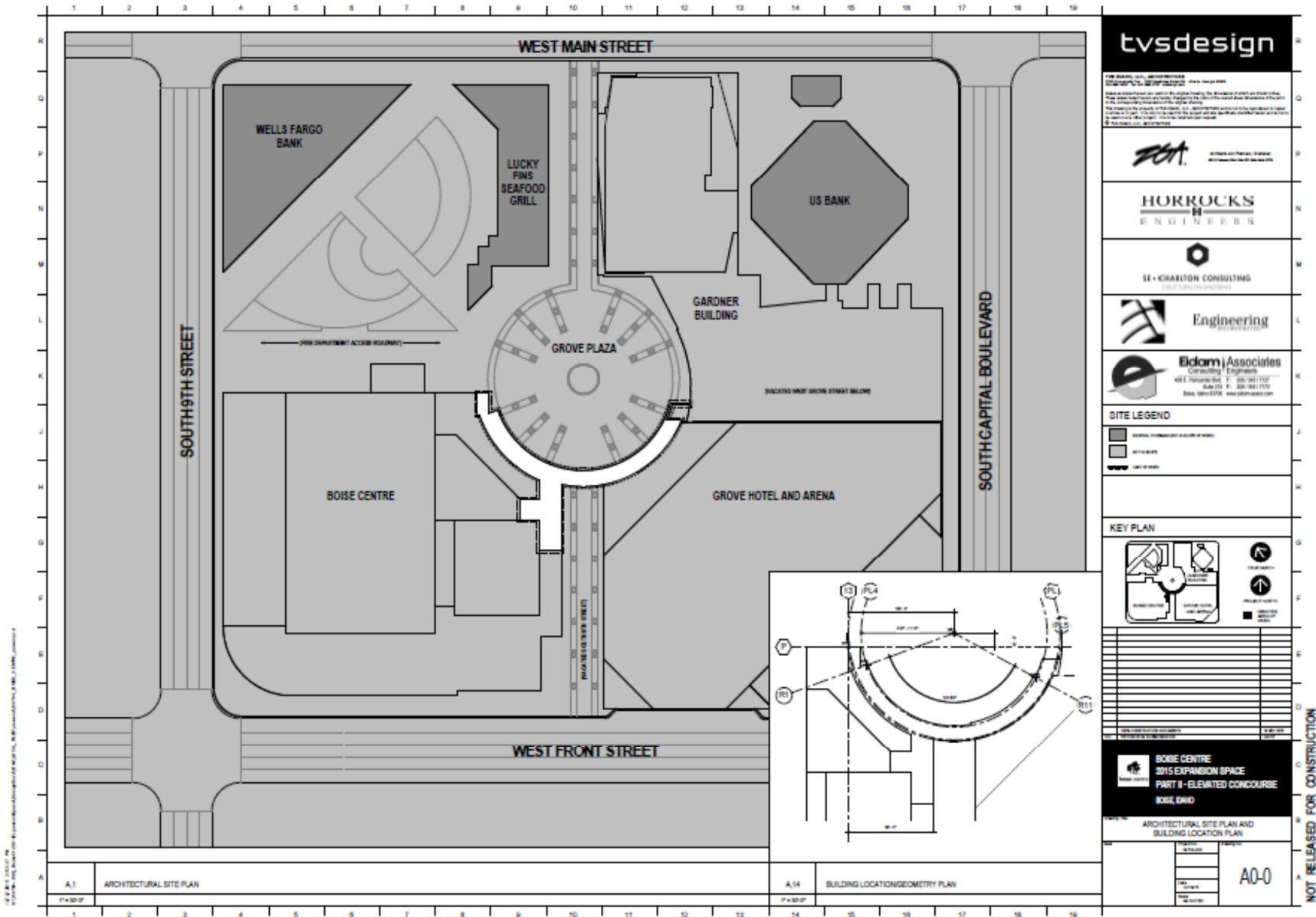
PROJECT CODE INFORMATION table with columns for project, scope, location, and other details.

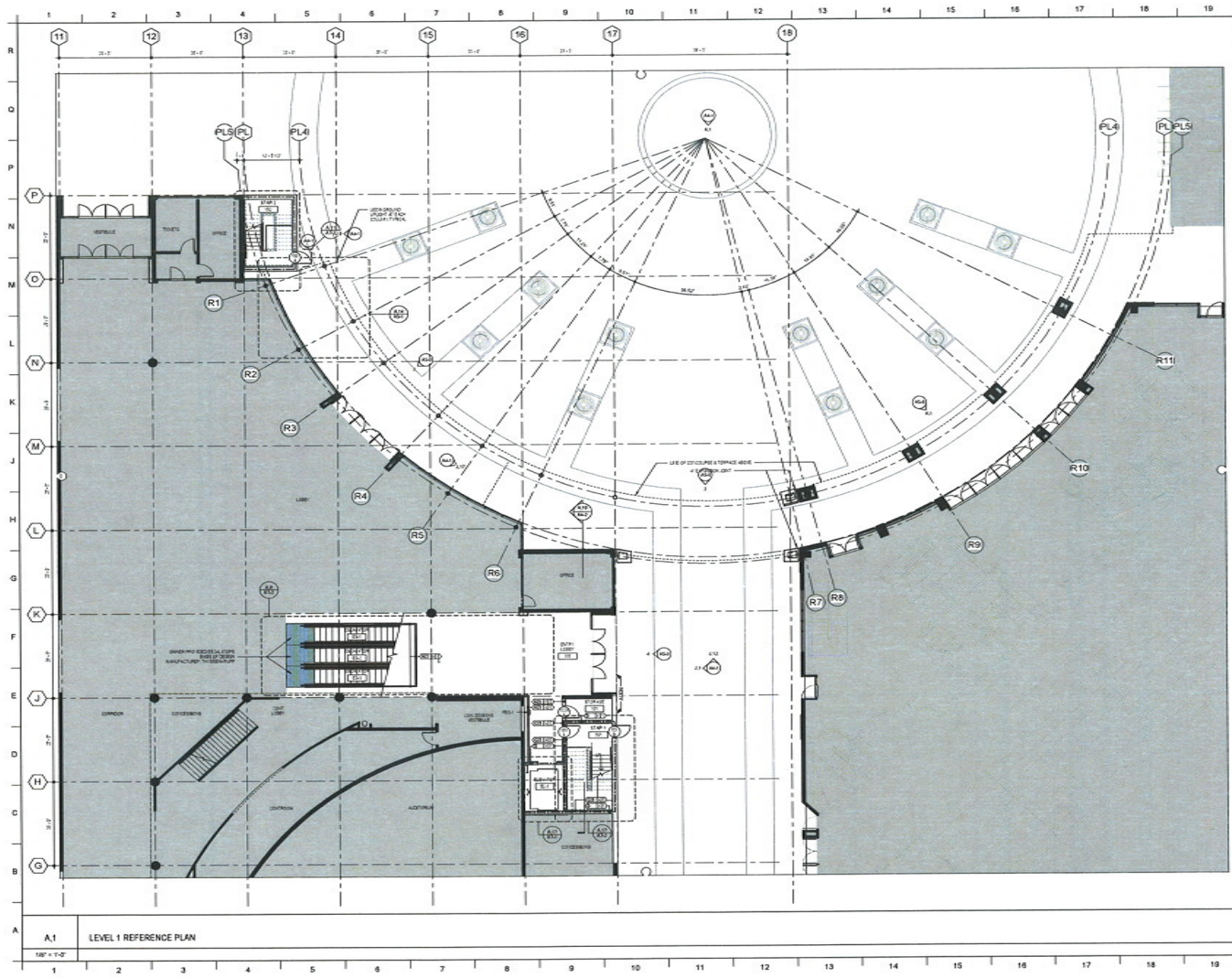
DRAWING CONVENTIONS table listing reference symbols, identity symbols, keynote symbols, material symbols, dimensions, boundary symbols, and line symbols.

MATERIAL SYMBOLS (SECTION) table listing various construction materials like earth, concrete, steel, and wood.

DRAWING NUMBER LEGEND table listing drawing numbers and descriptions.

Project information block including TVSdesign logo, project name, location, and a list of project team members and their roles.





tvsvdesign

TVS DESIGN, LLC ARCHITECTURE
 1210 W. GARDEN BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.TVSDSIGN.COM

ZBA
 ARCHITECT AND PLANNING CONSULTANT
 100 W. GARDEN BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.ZBAARCHITECT.COM

HORROCKS ENGINEERS
 100 W. GARDEN BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.HORROCKSENGINEERS.COM

SE - CHARLTON CONSULTING
 100 W. GARDEN BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.CHARLTONCONSULTING.COM

Engineering
 100 W. GARDEN BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.ENGINEERING.COM

Ednam Associates
 Consulting Engineers
 400 E. PARKWAY BLVD. SUITE 200
 BOISE, IDAHO 83725
 TEL: 208.333.1111 FAX: 208.333.1112
 WWW.EDNAMASSOCIATES.COM

KEY PLAN

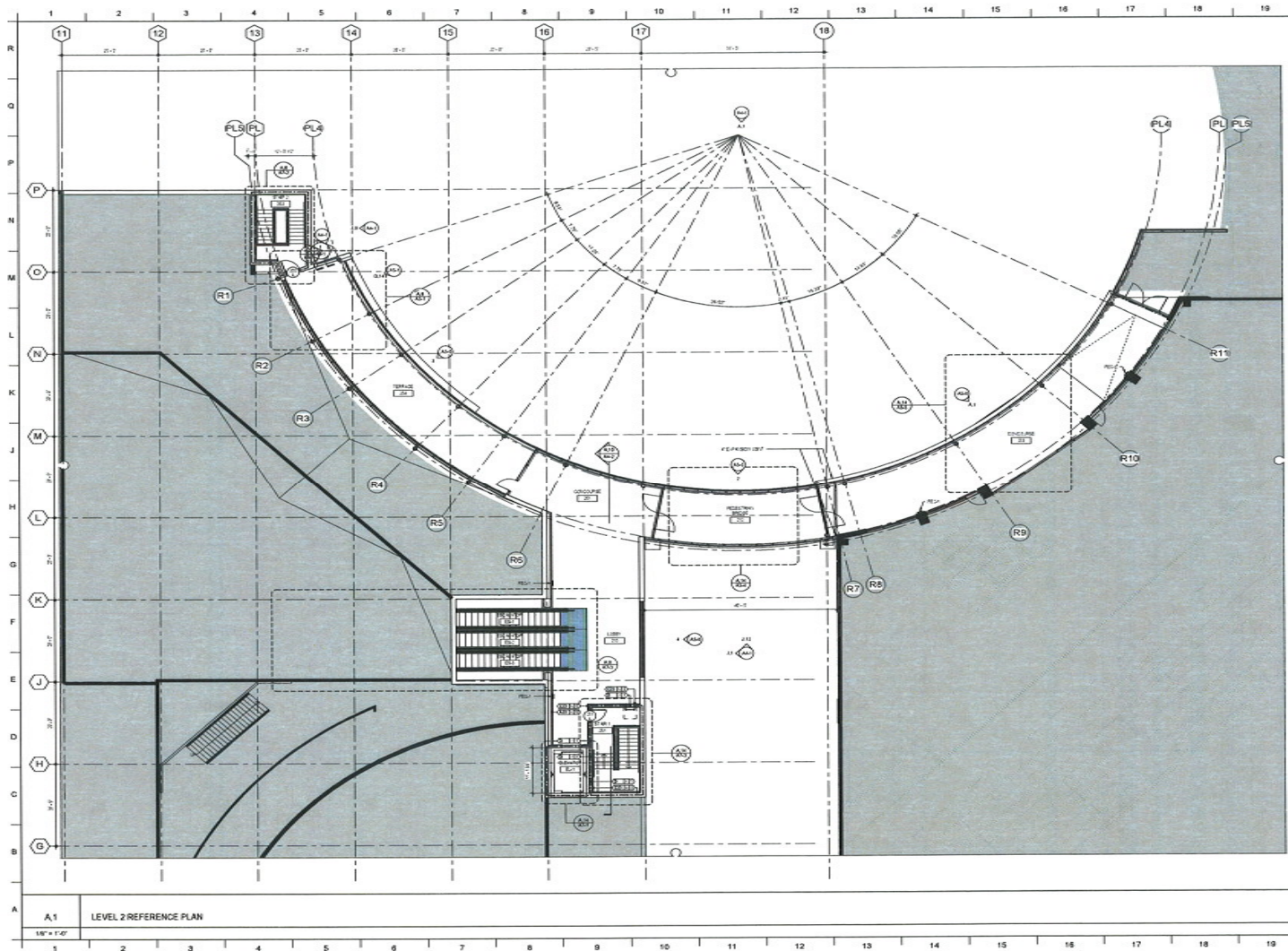
BOISE CENTRE
 2015 EXPANSION SPACE
 PART II - ELEVATED CONCOURSE
 BOISE, IDAHO

LEVEL 1 REFERENCE PLAN

A-1

DATE: 10/1/15
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]

NOT RELEASED FOR CONSTRUCTION



tvsvdesign

THE EDHILL, LLC, ARCHITECTURE
1000 W. 10th St., Suite 200, Boise, ID 83725
 208.333.1111

BCA
Business and Planning, Chairman
 1000 W. 10th St., Suite 200, Boise, ID 83725

HORROCKS ENGINEERS
1000 W. 10th St., Suite 200, Boise, ID 83725
 208.333.1111

SE • CHARESTON CONSULTING
1000 W. 10th St., Suite 200, Boise, ID 83725

Engineering CONSULTANTS
1000 W. 10th St., Suite 200, Boise, ID 83725

Edom Associates
Consulting Engineers
 400 E. Palouse Blvd. T: 208.342.1122
 Suite 715 F: 208.342.1125
 Boise, Idaho 83726 www.edom-associates.com

KEY PLAN

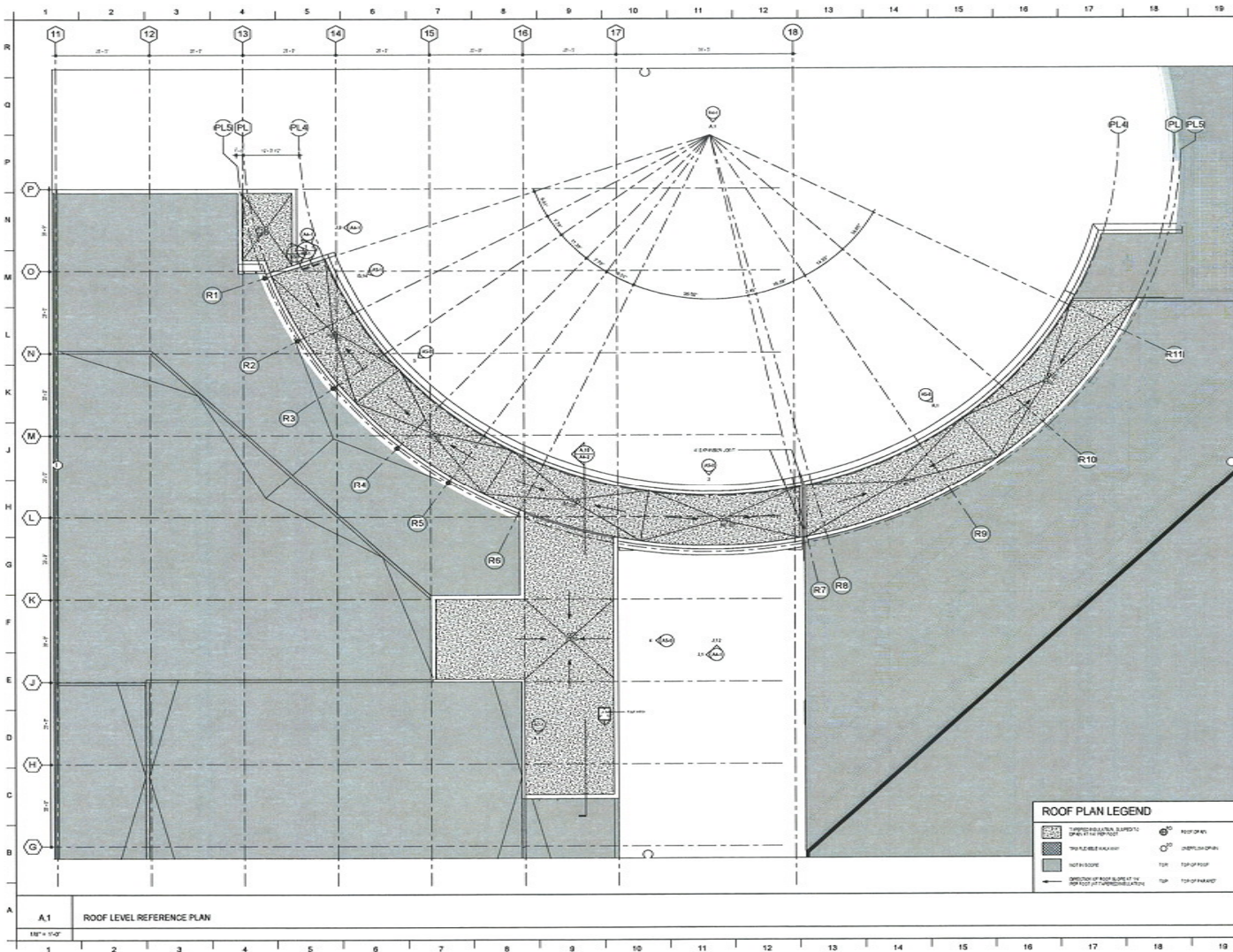
BOISE CENTRE
 2015 EXPANSION SPACE
 PART II - ELEVATED CONCOURSE
 BOISE, IDAHO

Drawing Title: **LEVEL 2 REFERENCE PLAN**

Scale: 1/8" = 1'-0"

Sheet: **A1-2**

NOT RELEASED FOR CONSTRUCTION



tvsvdesign

THE FRANKLIN, LLC - ARCHITECTURE
 1000 Franklin Blvd., Suite 1000, Boise, Idaho 83725
 Phone: 208.333.2222 Fax: 208.333.2223
 Website: www.thefranklin.com

ZOA Architects and Planners, Chartered
 1000 Franklin Blvd., Suite 1000, Boise, Idaho 83725
 Phone: 208.333.2222 Fax: 208.333.2223
 Website: www.zoa.com

HORROCKS ENGINEERS

SE + CHARLTON CONSULTING
 STRUCTURAL ENGINEERING

Engineering INCORPORATED

Edlam Associates Consulting Engineers
 400 E. Parkcenter Blvd., Suite 205, Boise, Idaho 83725
 Phone: 208.346.7127 Fax: 208.346.7125
 Website: www.edlam.com

KEY PLAN

BOISE CENTRE 2015 EXPANSION SPACE PART II - ELEVATED CONCOURSE

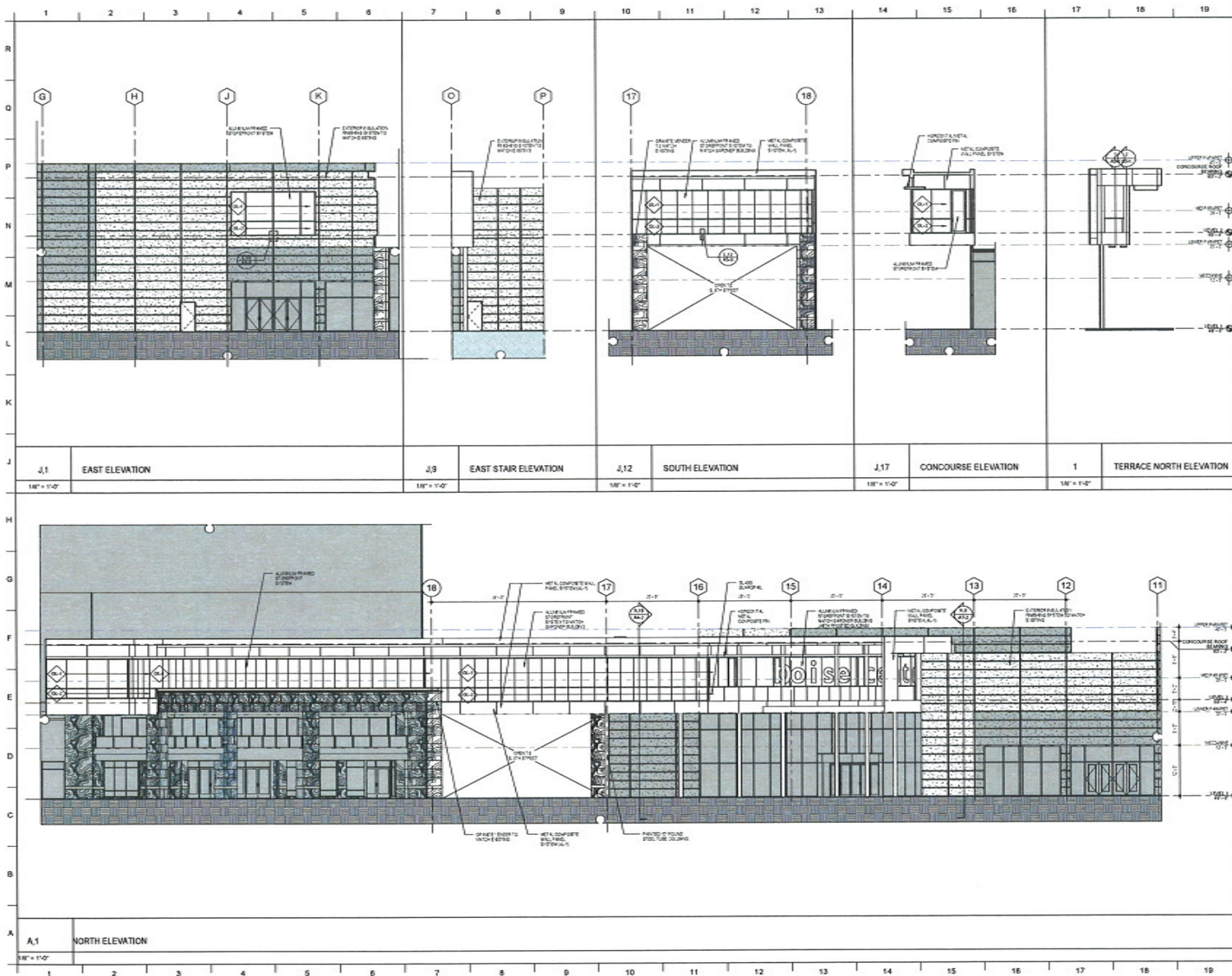
BOISE IDAHO

ROOF LEVEL REFERENCE PLAN

A1-3

DATE: _____
 DRAWN BY: _____
 CHECKED BY: _____
 SCALE: AS SHOWN

NOT RELEASED FOR CONSTRUCTION



tvsvdesign													
TVS DESIGN, LLC - ARCHITECTURE 2016 Broadway, Suite 200, Boise, Idaho 83725 Phone: 208.333.4444													
ZOA Architects and Planners, Chartered 1000 West Broadway, Suite 1000, Boise, Idaho 83725													
HORROCKS ENGINEERS Structural Engineers													
SE + CHARLTON CONSULTING STRUCTURAL ENGINEERING													
Engineering CONSULTANTS													
Edcom Associates Consulting Engineers 438 E. Parkcenter Blvd., Suite 110, Boise, Idaho 83725 Phone: 208.333.1177													
EXTERIOR FINISH LEGEND <table border="0"> <tr> <td> ALUMINUM ANODIZED EXPANDED METAL SCREEN</td> <td> METAL COMPOSITE PANEL SYSTEM</td> </tr> <tr> <td> GRANITE SLABS ON METAL DECK</td> <td> GLASS AND ALUMINUM FRAMING</td> </tr> <tr> <td> NOT IN SCOPE</td> <td> CONCRETE SLAB ON GRADE</td> </tr> <tr> <td> CONCRETE SLAB ON GRADE WITH FORMWORK</td> <td> CONCRETE SLAB ON GRADE WITH FORMWORK AND SCAFFOLDING</td> </tr> </table>		ALUMINUM ANODIZED EXPANDED METAL SCREEN	METAL COMPOSITE PANEL SYSTEM	GRANITE SLABS ON METAL DECK	GLASS AND ALUMINUM FRAMING	NOT IN SCOPE	CONCRETE SLAB ON GRADE	CONCRETE SLAB ON GRADE WITH FORMWORK	CONCRETE SLAB ON GRADE WITH FORMWORK AND SCAFFOLDING				
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GRANITE SLABS ON METAL DECK	GLASS AND ALUMINUM FRAMING												
NOT IN SCOPE	CONCRETE SLAB ON GRADE												
CONCRETE SLAB ON GRADE WITH FORMWORK	CONCRETE SLAB ON GRADE WITH FORMWORK AND SCAFFOLDING												
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	BOISE CENTRE SOUTH												
BOISE CENTRE 2016 EXPANSION SPACE PART II - ELEVATED CONCOURSE BOISE, IDAHO													
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Symbol	Footnote	Symbol	Footnote										
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	6410-010		6410-010										
A4-1													

NOT RELEASED FOR CONSTRUCTION

Exhibit D

Legal Description and Depiction of Boise Centre Concourse Easement



AGENDA BILL

Agenda Subject: Resolution 1421 First Amendment to The Grove Plaza Renovation CMGC Contract with McAlvain Construction	Date: December 14, 2015
Staff Contact: Doug Woodruff	Attachments: 1. Resolution 1421 which includes 1 st Amendment to CMGC Agreement with McAlvain, Inc.
Action Requested: Adopt Resolution No. 1421 authorizing the amendment of The Grove Plaza renovation CMGC contract.	

Fiscal Notes:

The amendment amount of \$282,602 is for the purchase of approximately 60% of the total brick needed to pave the plaza.

The FY 2016 CCDC agency budget allocates \$3,950,000 to renovate the Grove Plaza. Presently \$763,775 of the budget is committed to design services, CMGC pre-construction services, and re-engraving of the Founders bricks. Approving this amendment will change the total committed amount to \$1,046,377.

Background:

The renovation of The Grove Plaza is set to begin as soon as February 2016. There is currently a 6 month lead time on the procurement of bricks needed to pave the plaza. In order to meet the construction schedule we must order approximately 60% of the needed brick material now, in advance of when the masons will begin laying brick in May 2016.

The CMGC contract with McAlvain Inc. (MCI) allows us to amend the contract and set an initial Guaranteed Maximum Price (GMP) to purchase the needed brick material. Once the construction documents and bidding is complete a final GMP will be set. MCI anticipates being prepared to set a final GMP in early February 2016. The final GMP amount will include the amount from this first amendment.

Staff Recommendation:

Staff recommends approving the amendment of the MCI CMGC contract to allow early procurement of brick material to be used in The Grove Plaza renovation.

Suggested Motion:

I move to adopt Resolution 1421 authorizing the amendment of The Grove Plaza renovation CMGC contract.

RESOLUTION NO. 1421

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPROVING AMENDMENT NO. 1 TO THE CONSTRUCTION MANAGER / GENERAL CONTRACTOR CONSTRUCTION AGREEMENT BETWEEN THE AGENCY AND MCALVAIN CONSTRUCTION, INC.; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT NO. 1; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, is made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively the "Act"), a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the City Council of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the 1987 Amended and Restated Urban Renewal Plan for the Boise Central District Project I, Idaho R-4 and Project II, Idaho R-5 (the "1987 Amended Plan") and, following said public hearing, the City Council adopted its Ordinance No. 5026 on August 19, 1987, approving the 1987 Amended Plan and making certain findings; and,

WHEREAS, the Agency constructed the Grove Plaza as the premier public open space in downtown Boise in 1986 on property owned by the Agency; and,

WHEREAS, upon approval of Resolution 1403 by its Board of Commissioners on September 23, 2015, the Agency entered into a Construction Manager / General Contractor (CM/GC) construction agreement with McAlvain Construction, Inc., for renovation of the Grove Plaza using the CM/GC construction delivery method; and,

WHEREAS, the CM/GC construction delivery method contemplates that the construction agreement must be amended from time to time as the construction project moves forward so that the parties to the agreement can best address construction complexities and pertinent financial details, including procurement of long lead-time materials; and,

WHEREAS, the Agency and McAlvain Construction, Inc., desire to amend the CM/GC construction agreement at this time with the execution of "Amendment No. 1 to ConsensusDocs® 500 Standard Agreement and General Conditions Between Owner and Construction Manager," attached as Exhibit A, in order to allow for early procurement of brick paver materials, as a long lead-time material for the project, for the amount of Two Hundred Eighty-Two Thousand Six Hundred Two and no/100 Dollars (\$282,602.00).

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2: That Amendment No. 1 to the Construction Manager / General Contractor construction agreement between the Agency and McAlvain Construction, Inc., attached hereto as Exhibit A and incorporated herein by reference, is approved as to both form and content.

Section 3: That the Board hereby authorizes the Executive Director to execute Amendment No. 1 to the Construction Manager / General Contractor construction agreement with McAlvain Construction, Inc., for procurement of brick paver materials in the amount of Two Hundred Eighty-Two Thousand Six Hundred Two and no/100 Dollars (\$282,602.00).

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Boise City, Idaho, on December 14, 2015. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 14, 2015.

URBAN RENEWAL AGENCY OF BOISE CITY:

By: _____
John Hale, Chairman

Date: _____

ATTEST:

By: _____
Secretary

Date: _____

EXHIBIT A to RESOLUTION 1421 - TEN PAGES

AMENDMENT NO. 1 TO ConsensusDocs® 500

**STANDARD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND
CONSTRUCTION MANAGER**

**(Where the Basis of Payment is a Guaranteed Maximum Price with an Option for
Preconstruction Services)**

Dated December 3, 2015

Pursuant to Section 3.4 of the Agreement dated October 1, 2015 between the Owner, Capital City Development Corporation (CCDC) and the Contractor, McAlvain Construction, Inc. for The Grove Renovation Project (the Project), the Owner and the Contractor desire to establish a Guaranteed Maximum Price ("GMP") for the Work to include early procurement of brick paver materials. Therefore, the Owner and the Contractor agree as follows:

ARTICLE 1 GUARANTEED MAXIMUM PRICE (PACKAGE NO. 1)

The Contractor's GMP for the Work, including the Cost of the Work as defined in Article 8 and the Contractor's Fee as set forth in Section 7.3, is TWO HUNDRED AND EIGHTY-TWO THOUSAND, SIX-HUNDRED AND TWO DOLLARS (\$282,602.00).

The GMP is for the performance of the Work in accordance with the exhibits listed below, which are part of this Agreement.

EXHIBIT A Drawing and Specifications Log, including Addenda, if any, and information furnished by the Owner under Section 4.3, dated December 3, 2015, one (1) page.

EXHIBIT B Schedule of Values dated December 3, 2015, one (1) page.

EXHIBIT C Assumptions and Clarifications on which the GMP is based, dated December 3, 2015, one (1) page.

EXHIBIT D Vendor Material Quote dated November 20, 2015, one (1) page

EXHIBIT E Estimate Breakdown dated December 3, 2015, four (4) pages

ARTICLE 2 DATE OF SUBSTANTIAL COMPLETION

The date of commencement is December 14, 2015
Anticipated material delivery is May 2016.

ARTICLE 3 DATE OF FINAL COMPLETION

Final Completion for the project will be established in a future GMP Amendment.



This Amendment is entered into as of December 2, 2015.

CONTRACTOR: McAlvain Construction, Inc.
5559 W. Gowen Rd.
Boise, ID 83709

BY: DocuSigned by: Torry McAlvain
2BF0CFF62496192

PRINT NAME _____ PRINT TITLE CEO

ATTEST: DocuSigned by: Candice Kittrell
6645C17D79A8470...

OWNER: Capital City Development Corporation (CCDC) Contract Amendment No. 1
121 N. 9th Street Amount:
Suite 501 \$282,602.00
Boise, Idaho 83702

BY: _____
Date

ATTEST: _____
Date



ConsensusDocs® 500.1 – Amendment No. 1 to ConsensusDocs 500 Standard Agreement and General Conditions Between Owner and Construction Manager (GMP with Option for Preconstruction Services) - © 2007, Revised 2011. THIS DOCUMENT MAY HAVE BEEN MODIFIED. The ConsensusDocs technology platform creates a redline comparison to the standard language which the purchaser of this contract is authorized to share for review purposes. Consultation with legal and insurance counsel are strongly encouraged. You may only make copies of finalized documents for distribution to parties in direct connection with this contract. Any other uses are strictly prohibited.



EXHIBIT A – Project Document List

SPECIFICATION INDEX

DIVISION 08 -- OPENINGS
08 3483 – Floor Doors
DIVISION 12 -- FURNISHINGS
12 9300 – Site Furnishings
DIVISION 26 -- ELECTRICAL
26 5600 – Site Lighting
DIVISION 32 – EXTERIOR IMPROVEMENTS
32 1313 – Concrete Paving
32 1400 – Unit Paver
32 1400 – Unit Paver, Mortar Set
32 9113 – Soil Preparation
32 9300 – Plants
32 9450 – Silva Cells
32 9450 – Soil Cells
32 9456 – Planting Soil for Soil Cells
DIVISION 33 -- UTILITIES
33 4600 – Subdrainage

DRAWING INDEX – Plans Dated 11.9.15

LANDSCAPE		ARCHITECTURAL	
L0.00	NOTES & SYMBOLS	A2.1	FLOOR PLAN
L1.00	SITE PLAN		
L1.01	GRADING PLAN	MECHANICAL	
L1.02	AUDIO SITE PLAN	M2.11	HVAC PLAN
L2.00	LAYOUT PLAN	M2.2	VAULT HVAC PLAN
L2.01	LAYOUT PLAN	M3.1	MECH SCHEDULES AND DETAILS
L2.02	LAYOUT PLAN		
		PLUMBING	
CIVIL		P2.1	PLUMBING PLAN
C0.0	GENERAL INFORMATION SHEET	P3.1	PLUMBING SCHEDULES AND DETAILS
C1.0	SITE DEMOLITION PLAN		
C2.0	EROSION AND SEDIMENT CONTROL PLAN	ELECTRICAL	
C3.0	GRADING AND SITE PLAN (NOT INCLUDED IN 30% SET)	E4.0	ELECTRICAL SITE PLAN
C4.0	SITE UTILITY PLAN (NOT INCLUDED IN 30% SET)		
WATER FEATURE			
WF1.00	WATER FEATURE SITE PLAN		
WF2.00	HYDRAULIC SCHEMATIC		



The Grove Plaza Renovation Project
 McAlvain Construction, Inc.
 December 3, 2015
 GMP #1

Exhibit B: Schedule of Values

B	C	D
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE
1	GMP #1-Supply-Medium Ironspot #46 2-1/4 x4x8 Square Edge Paver	\$ 199,048.50
2	GMP #1-Supply-Manganese Ironspot 201/4x4x8 Square Edge Paver	\$ 26,344.00
3	GMP #1-Supply-Medium Ironspot #46 2-1/4x4x8 Permaeable w/1/4" Lug	\$ 14,880.80
4	Sales Tax	\$ 14,416.40
5	General Conditions	\$ 2,858.00
6	General Liability Insurance (1%)	\$ 2,575.48
7	Bond (0.7281%)	\$ 1,875.20
8	Fee (8%)	\$ 20,603.82
9		
10		
11		
12		
13		
14		
15		
16		
Original Contract Amount		\$ 282,602.00

Initial _____



EXHIBIT C – Assumptions and Clarifications

1. Order fulfillment for 60% of the pavers required for the project with the balance of the order procured through the GMP amendment.
 - a. Medium Ironspot#46, 2-1/4"x4x8 Square Edge Pavers (140,175 pavers)
 - b. Manganese Ironspot 2-1/4"x4x8 Square Edge Pavers (17,800 pavers)
 - c. Medium Ironspot #46 2-1/4x4x8 Permeable pavers (9,790 pavers)
 - d. Invoice total \$254,681.70 includes sales tax
2. This order includes delivery to The Masonry Center, 1424 N Orchard St, Boise, ID, or a full truckload direct to the jobsite.
3. For partial order delivery from The Masonry Center to the jobsite, a trip charge of \$75.00 per load (with lift) will be incurred and is excluded from this proposal. Approximately 8,900 pavers can be transported per load; 19 trips would be required for the quantities specified in Item #1. Estimated cost \$1,425.00
4. A Purchase Order shall be issued to the vendor upon acceptance of this agreement.
5. EXCLUSIONS:
 - a. Installation is excluded
 - b. T-Spacers
 - c. Sand, subbase, silva cells
 - d. Freight from The Masonry Center to jobsite
 - e. Unloading at the jobsite

QUOTE

THE MASONRY CENTER, INC.

1424 North Orchard - P.O. Box 7825 - Boise, ID 83707-1825
 Phone (208) 375-1362 Fax (208) 327-1600
 www.masonrycenter.com Email: masctr@masonrycenter.com

Page No. 1

QUOTE NUMBER

M2015-110002-001

BILL TO **McAlvain Construction**
5559 West Gowen Road
Boise, ID 83709

Salesperson **001 Rick Cafferty**
 Quote Type **To Bid**
 Date Created **11/20/15**
 Project Bid Date **11/20/15**
 Plan Date
 F.O.B. **The Masonry Center**
 Addenda Received
 Unload By **Masonry Center**
 Quote Expires On **12/31/15**

JOB NAME **Grove Renovation-CCDC**
Grove/Boise
Boise, Id 83704

The Masonry Center, Inc. proposes to furnish the following material only which can ship in the approximate number of weeks noted after receipt of authorization to proceed, signed purchase agreement, or purchase order number.

ITEM CODE	DESCRIPTION	QUANTITY	PRICE	UNIT	LEAD TIME (WEEKS)	EXTENSION
056	Medium Ironspot #46 2-1/4x4x8 Square Edge Paver	140175.0	1.42	EA	00	199,048.50
056	Manganese Ironspot 2-1/4x4x8 Square Edge Paver	17800.0	1.48	EA	00	26,344.00
056	Medium Ironspot #46 2-1/4x4x8 Permeable W/1/4" Lug	9790.0	1.52	EA	00	14,880.80
056	"T" Spacers Excluded	351250.0	0.10	EA	00	35,125.00
	ADD FOR 1/4" LUG PAVERS IN PLACE OF SQUARE EDGE					
	IS .10/EA					
	Above pricing is fob The Masonry Center yard in Boise Idaho or full truckload direct to jobsite (your means unload)..If we shuttle to jobsite from our yard charge will be \$75.00 per load with lift. We can haul 8900 per load.....Endicott will provide ete only once order is in place.					
						\$14,416.40
						\$16,523.90
						\$291,922.20
	Sales and/or use tax included.					\$254,689.70
	Above prices DO NOT include installation.					
	This quote will expire on 12/31/15					
	To the best of The Masonry Center, Inc.'s knowledge, the material quoted conforms to the plans and specifications for the project. However, The Masonry Center, Inc. will not guarantee such conformity. THE BUYER IS RESPONSIBLE FOR VERIFYING THE QUANTITY AND SUITABILITY OF THE MATERIAL FOR THE PROJECT.					

Submitted by: Rick Cafferty
 The Masonry Center, Inc.

Quote Accepted By: _____

Printed Name: _____ Date: _____

QUOTE



DIV	DESCRIPTION	PRELIMINARY	
		ESTIMATE	GMP1
1000.0	General Conditions		
1000.0	Pre-Construction	\$67,611	
1010.0	General Conditions	\$398,286	\$2,858.00
1012.0	ACHD Temp Encroachment Permit Allowance	\$12,000	
1017.0	Winter Conditions Allowance	\$25,000	
	Total	\$502,897	
2000.0	Site Work		
2010.0	Tree Removal	\$1,800	
2050.0	Soil Removal Due to Inclement Weather	\$25,000	
2055.0	Concrete Sawcutting & Coring	\$5,000	
2056.0	SWPPP	\$3,500	
2057.0	Storefront Demolition	\$3,500	
	Total	\$38,800	
2200.0	Earthwork		
2220.0	Excavate Site & Build New 12" Base Section	\$96,761	
2225.0	Root Ball & Concrete Tree Well Removal	\$7,500	
2230.0	Demo Site Curbs & Sidewalks	\$5,000	
2235.0	Existing Utility Grade Adjustments	\$5,000	
2240.0	Backfill @ Existing Fountain Cistern	\$3,500	
	Total	\$117,761	
2500.0	Asphalt		
2500.0	Asphalt Patching	\$5,000	
	Total	\$5,000	
2600.0	Water & Storm Drainage		
2600.0	2" Water Line	\$7,500	
2650.0	6" Perforated Pipe	\$20,000	
2670.0	Silva Cell Installation	\$748,711	
	Total	\$776,211	
2700.0	Sanitary Sewer		
2700.0	Sanitary Sewer Tap	\$7,500	
2722.0	6" Sanitary Sewer	\$41,180	
	Total	\$48,680	
2800.0	Site Improvements		
2800.0	Shade Sail Structures	\$99,523	
2810.0	4'x4' Tree Grates & Frames	\$96,000	



DIV	DESCRIPTION	PRELIMINARY	
		ESTIMATE	GMP1
2820.0	Bicycle Racks	\$3,272	
2830.0	Parallel 42 Benches	\$17,472	
2831.0	Portable Stage Allowances	\$100,000	
	Total	\$316,267	
2850.0	Brick Pavers		
2850.0	Square Edge/Permeable Pavers	\$540,833	
2855.0	Install Engraved Brick	\$49,167	
2860.0	Remove Existing Pavers & Deliver Offsite	\$27,250	
2870.0	Purchase Brick Pavers	\$459,920	\$254,689.70
	Total	\$1,077,170	
2900.0	Landscape & Irrigation		
2900.0	Irrigation Systems	\$22,000	
2920.0	Trees	\$72,600	
	Total	\$94,600	
3000.0	Concrete		
3000.0	Tree Grate Foundations	\$40,218	
3090.0	Light Pole Foundations	\$18,975	
3100.0	Curb & Gutter	\$5,830	
3110.0	Shade Sail Footing	\$7,500	
3115.0	Concrete Drive Ribbons 6"x20' wide	\$15,000	
3200.0	Jet Deck Slab	\$19,200	
3201.0	6" Slab On Grade	\$1,820	
3202.0	Footings	\$2,970	
3220.0	Walls	\$4,920	
3300.0	Concrete Paving Patch	\$6,520	
	Total	\$122,953	
4000.0	Masonry		
4200.0	12" Grey CMU	\$40,480	
	Total	\$40,480	
5000.0	Steel		
5005.0	Steel Embeds	\$6,000	
5010.0	Structural Steel Supply & Install	\$15,000	
5030.0	Steel Decking Supply & Install	\$3,500	
	Total	\$24,500	
6000.0	Wood & Plastics		



DIV	DESCRIPTION	PRELIMINARY	
		ESTIMATE	GMP1
6050.0	Wood Nailer @ Parapet	\$820	
6200.0	Casework Allowance	\$4,500	
	Total	\$5,320	
7000.0	Thermal & Moisture Protection		
7240.0	EIFS	\$13,700	
7500.0	45mil White TPO over 5.3" of Poly-iso Insulation	\$6,920	
7600.0	Sheet Metal & Flashing	\$820	
	Total	\$21,440	
8000.0	Doors & Windows		
8050.0	Door & Hardware Installation	\$1,000	
8100.0	Hollow Metal Doors & Frames	\$8,000	
8400.0	Aluminum Storefront	\$10,853	
	Total	\$19,853	
9000.0	Finishes		
9100.0	Metal Furring	\$3,120	
9250.0	Drywall	\$3,300	
9660.0	Resilient Base	\$256	
9680.0	Carpet Tile	\$3,744	
9780.0	Concrete Sealer	\$300	
9900.0	Painting	\$3,400	
	Total	\$14,120	
10000.0	Specialties		
10400.0	Signage Allowance	\$500	
10800.0	Toilet & Bath Accessories Allowance	\$2,000	
	Total	\$2,500	
13000.0	Special Construction		
13160.0	Water Feature	\$504,549	
13165.0	Programming of Fountain Automation System	\$15,000	
	Total	\$519,549	
15000.0	Mechanical		
15000.0	Sewer Line Across the Grove	\$5,025	
15100.0	Trench Drain	\$12,000	
15400.0	Plumbing & HVAC	\$64,950	
	Total	\$81,975	



AGENDA BILL

Agenda Subject: CCDC Personnel Manual Update		Date: December 14, 2015
Staff Contact: Ross Borden, Finance Director	Attachments: <ol style="list-style-type: none"> 1. Resolution 1409 2. Personnel Manual with Updates – Clean 3. Personnel Manual with Updates – Redline 	
Action Requested: Consider updates to the Agency Personnel Manual and adoption of Resolution 1409.		

Background:

The Agency’s Personnel Manual was originally adopted in November 1999 by Resolution 806. Any substantive change to the Manual requires formal Board action (Section 1.4 Changing Policies). Revisions were adopted February 2001, October 2001, October 2003, January 2008, May 2008 and February 2012. After reviewing the current edition and working with counsel at Elam & Burke, staff recommends various updates and changes.

- Update to comport with current law and ordinance.
- Synchronize sections by removing duplicate, superfluous or obsolete language and references. Clarify intent. Modernize to reflect contemporary workplace standards.
- Make numerous minor, non-substantive edits throughout to address style, grammar, terminology, formatting and technical changes.

Summary of Substantive Recommended Revisions

Chapter 4 Hours and Attendance.

1. Add New Section. 4.7 Break Time for Nursing Mothers.

Chapter 5 Travel / Meeting Expense Policy.

1. Modify Section. 5.4 Reimbursements. Change from reimbursement of documented expenses to per diem allowance using State of Idaho reimbursement limits. Add new Appendix A containing maximum daily and partial day allowances.

Chapter 7 Benefits.

1. Delete Subsection 7.3.2.1 Self-Insurance – Medical Reimbursement Plan. This benefit is unique, administratively burdensome and increasingly problematic vis-à-vis Affordable Care Act and HIPAA rules and regulations. Counsel considers it a potential liability. The Agency is required to notify employees prior to terminating the benefit. Delete Attachment 1 Medical Reimbursement Plan.
2. Modify Section 7.5 Tuition Reimbursement Policy. Change to require that regular, full-time employees become eligible after one year of employment, and must remain employed for one year to avoid repayment. Maximum per-employee, per-fiscal year reimbursement is \$1,000.
3. Delete Section 7.7 HIPAA Compliance. No longer required with the deletion of the Subsection 7.3.2.1 Self-Insurance – Medical Reimbursement Plan. Also delete Attachment 2 Policies and Procedures to Comply with HIPAA Privacy Regulations.

Chapter 8 Leaves.

1. Modify Subsection 8.3.3 Using Paid Sick Leave. Delete current practice that provides employees a floating holiday in December if they have used less than three sick days so far that calendar year.
2. Modify Section 8.8 Bereavement Leave. Three days to five days.
3. Modify Section. 8.9 Holidays. Delete Columbus Day, add Floating Holiday.
4. Delete Section 8.13 Additional Leaves.
5. Add New Section 8.13 Paid Parental Leave. Provides up to six weeks Paid Parental Leave concurrent with Family and Medical Leave Act (FMLA) leave for male or female employees following the birth, adoption, or placement of child in foster care. Employees qualify after six months of employment and receive 100% of salary while on the leave.

Chapter 9 Employee Responsibilities and Conduct.

1. Modify Section 9.10 Seat Belt, Cellular Phone and Texting Policy. Adds a prohibition on calling and texting while driving on Agency business.
2. Add New Section 9.16 Gifts & Gratuities. Prohibit employees from accepting gifts valued in excess of \$50.

Chapter 12 Electronic Communication. Extensive language modeled after Boise City's policy.

1. Add New Section 12.2 Electronic Communications and Public Records.
2. Add New Section 12.4 Social Media Policy.
3. Add New Section 12.5 Social Media Personal Use.
4. Add New Section 12.6 Mobile Communications Policy.
5. Add New Section 12.7 Record Retention. Add Appendix B Records Retention Schedule.

Executive Committee-Recommended Improvements for Next Update

1. Modify Section 2.3 Anti-Harassment and Discrimination Policy. Add reference to Section 11 Complaint Procedures and Section 7.3.1 Employee Assistance Program.
2. Modify Section 6.1 Performance Evaluation and Compensation Plan. Add detail to make Performance Evaluation reference more robust, e.g. increase evaluation frequency.
3. Modify Section 11.1 Additional (Complaint) Procedures. Add / authorize an independent third party – such as the Employee Assistance Program (EAP) cited in Section 7.3.1 – as an option to receive and assist employees with workplace complaints or claims.
4. Appendix A, Per Diem Rates. Modify as necessary to keep current.

Staff Recommendation:

Adopt recommended updates to the CCDDC Personnel Manual.

Suggested Motion:

I move adoption of Resolution 1409 to incorporate the presented updates and any minor production edits into the Agency Personnel Manual.

ATTACHMENT 1

RESOLUTION NO. 1409

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, RECOMMENDING ADOPTION OF CERTAIN REVISIONS AND CHANGES TO THE PERSONNEL MANUAL FOR THE URBAN RENEWAL AGENCY; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE APPROPRIATE ACTION; AND PROVIDING FOR MODIFICATION TO THE PERSONNEL MANUAL TO BE EFFECTIVE UPON THE PASSAGE AND APPROVAL OF THIS RESOLUTION AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, Made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, a duly created and functioning urban renewal agency for Boise City, Idaho, hereinafter referred to as the "Agency."

WHEREAS, the Agency staff and Agency counsel previously prepared and the Board has approved a Personnel Manual for the employees of the Agency, dated November, 1999;

WHEREAS, the Personnel Manual for the employees of the Agency was last revised by the Agency Board on February 13, 2012, through the adoption of Resolution No. 1299;

WHEREAS, the Agency staff now finds it necessary to recommend certain changes and revisions in the Agency Personnel Manual;

WHEREAS, those changes and revisions are set forth in the Agency Personnel Manual attached hereto and incorporated herein as Exhibit A;

WHEREAS, Agency staff and counsel have reviewed the proposed deletions and changes to the Agency Personnel Manual and find them to be in order;

WHEREAS, the Agency staff finds it in the best interests of the Agency and the public to approve and adopt the revisions and additions to the Agency Personnel Manual;

WHEREAS, the Agency Board finds it in the best interest of the Agency and the public to adopt the revised Agency Personnel Manual.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO:

Section 1: That the above statements are true and correct.

Section 2: That the revisions and additions to the Agency Personnel Manual are hereby approved and adopted by the Agency Board and are effective on January 1, 2016. That the Executive Director is authorized and directed to take all action to implement the revisions and additions to the

Agency Personnel Manual, including distribution to Agency employees and receipt of signed acknowledgment by Agency employees as necessary.

Section 3: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of the City of Boise, Idaho, on December 14, 2015. Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on this 14th day of December 2015.

APPROVED:

By _____
Chairman of the Board

ATTEST:

By _____
Secretary
4831-4910-0074, v. 1

ATTACHMENT 2



PERSONNEL MANUAL

Adopted by the CCDC Board of Commissioners

Effective Date

January 1, 2016

CAPITAL CITY DEVELOPMENT CORPORATION

PERSONNEL MANUAL

ADOPTED BY THE BOARD OF DIRECTORS

EFFECTIVE DATES

November 1999
February 2001
October 2001
October 1, 2003
January 14, 2008
May 27, 2008
February 13, 2012
January 1, 2016

TABLE OF CONTENTS

PERSONNEL MANUAL.....	1
CHAPTER 1 PURPOSE AND SCOPE.....	1
1.1 INTRODUCTION	1
1.2 INTENT OF POLICIES–EMPLOYMENT AT WILL.....	1
1.3 SCOPE OF POLICIES	1
1.4 CHANGING THE POLICIES	1
1.5 DEFINITIONS.....	2
1.5.1 Immediate Family	2
1.5.2 Regular Full-Time Employee.....	2
1.5.3 Regular Part-Time Employee.....	2
1.5.4 Temporary Employee.....	2
1.5.5 Exempt Employee.....	2
1.5.6 Non-Exempt Employee.....	2
CHAPTER 2 GENERAL POLICIES AND PRACTICES	3
2.1 EQUAL EMPLOYMENT OPPORTUNITY	3
2.2 DISABILITY DISCRIMINATION	3
2.3 ANTI-HARASSMENT AND DISCRIMINATION POLICY.....	3
2.4 EMPLOYEE PERSONNEL RECORDS.....	4
2.5 EMPLOYMENT REFERENCES.....	5
CHAPTER 3 RECRUITING AND HIRING.....	6
3.1 RECRUITING	6
3.2 HIRING	6
3.3 TEMPORARY EMPLOYEES	6
3.3.1 Temporary, At Will Employees	6
3.3.2 Compensation/Benefits	6

3.4	EMPLOYMENT OF RELATIVES (NEPOTISM).....	6
3.4.1	Family Relationship.....	6
3.4.2	Change in Circumstances.....	7
3.5	PROMOTIONS	7
CHAPTER 4 HOURS AND ATTENDANCE.....		8
4.1	WORKING HOURS.....	8
4.2	HOURS OF WORK AND OVERTIME	8
4.3	COMPENSATORY TIME	8
4.4	ATTENDANCE.....	8
4.5	TELECOMMUTING POLICY	9
4.5.1	Purpose	9
4.5.2	Participation.....	9
4.5.3	Equipment.....	9
4.5.4	General Issues.....	9
4.6	BREAKS AND MEAL PERIODS	10
4.7	BREAK TIME FOR NURSING MOTHERS.....	10
4.8	PAYROLL RECORDS.....	10
CHAPTER 5 TRAVEL/MEETING EXPENSE POLICY		11
5.1	GENERAL POLICY	11
5.2	VEHICLE USE.....	11
5.3	AIRFARE	11
5.4	REIMBURSEMENTS	11
5.5	ADDITIONAL ALLOWABLE INCIDENTAL EXPENSES	12
5.6	EXPENDITURES NOT REIMBURSABLE.....	12
5.7	DOCUMENTATION	13
5.8	CORPORATE CREDIT CARD	13
CHAPTER 6 PERFORMANCE EVALUATIONS AND TRAINING		14
6.1	PERFORMANCE EVALUATIONS AND COMPENSATION PLAN.....	14
6.2	TRAINING POLICY.....	14
CHAPTER 7 BENEFITS.....		15
7.1	RETIREMENT BENEFITS.....	15
7.2	DISABILITY BENEFITS (WORKERS' COMPENSATION).....	15
7.2.1	Coverage and Claims	15
7.2.2	Coordination of Benefits.....	15
7.3	HEALTH INSURANCE BENEFITS	15
7.3.1	Employee Assistance Program.....	16
7.4	CONTINUATION OF INSURANCE COVERAGE.....	16
7.4.1	Workers' Compensation Benefits	16
7.4.2	Termination, Retirement, Leave of Absence	16
7.5	TUITION REIMBURSEMENT POLICY	16
CHAPTER 8 LEAVES		18
8.1	DEFINITIONS.....	18
8.1.1	Dependent Children	18

8.1.2	Immediate Family	18
8.1.3	Serious Health Condition	18
8.2	VACATION LEAVE	18
8.2.1	Accruals	18
8.2.2	Accelerated Vacation Accruals for Exempt Level Employees	18
8.2.3	Limits on Accruals	19
8.2.4	Using Vacation Leave	19
8.2.5	Payment for Vacation Accruals at Termination	19
8.3	SICK LEAVE	19
8.3.1	Accruals	19
8.3.2	Limits on Sick Leave Accruals	19
8.3.3	Using Paid Sick Leave	20
8.4	LEAVE WITHOUT PAY	20
8.5	JURY AND WITNESS LEAVE	20
8.5.1	Jury Duty	20
8.5.2	Witness Duty	21
8.6	ADMINISTRATIVE LEAVE	21
8.7	MILITARY LEAVE	21
8.8	BEREAVEMENT LEAVE	21
8.9	HOLIDAYS	21
8.10	RELIGIOUS HOLIDAYS	22
8.11	ON-THE-JOB INJURIES AND TIME LOSS CLAIMS	22
8.12	FAMILY AND MEDICAL LEAVE	22
8.12.1	Reasons for Family or Medical Leave	22
a.	Employee's Serious Health Condition	22
b.	To Care for a New Child	22
c.	To Care for a Spouse, Parent or Child With a Serious Health Condition	22
8.12.2	Requests for Family or Medical Leave	23
8.12.3	Use of Paid Leave for Family or Medical Leave	23
8.12.4	Length of Leave	23
8.12.5	Benefits	23
8.12.6	Return to Work	23
8.13	PAID PARENTAL LEAVE POLICY	24
8.14	LEAVE AND BENEFITS FOR PART-TIME AND TEMPORARY EMPLOYEES	24
8.14.1	Regular Part-Time Employees	24
8.14.2	Temporary Employees	24
CHAPTER 9	EMPLOYEE RESPONSIBILITIES AND CONDUCT	25
9.1	GENERAL CODE OF CONDUCT	25
9.2	OUTSIDE EMPLOYMENT AND CONFLICTS OF INTEREST	25
9.3	REPORTING IMPROPER GOVERNMENTAL ACTION	26
9.4	POLITICAL ACTIVITIES	26
9.5	NO SMOKING POLICY	26
9.6	PERSONAL POSSESSIONS AND ELECTRONIC COMMUNICATIONS	26
9.7	USE OF AGENCY VEHICLES AND EQUIPMENT	26
9.8	BULLETIN BOARDS	26
9.9	CONTACT WITH THE NEWS MEDIA	27
9.10	SEAT BELT, CELLULAR PHONE AND TEXTING POLICY	27
9.11	DRIVER'S LICENSE REQUIREMENTS	27
9.12	SOLICITATIONS	27
9.13	SAFETY	27

9.14	SUBSTANCE ABUSE	27
9.14.1	Availability of Rehabilitation or Treatment	27
9.14.2	When Job Performance Is Affected	28
9.14.3	Drug-Free Workplace	28
9.15	GIFTS & GRATUITIES	28
CHAPTER 10	DISCIPLINE AND TERMINATION	29
10.1	ACTIONS SUBJECT TO DISCIPLINARY ACTION	29
10.2	LAYOFF.....	30
10.3	RESIGNATION.....	30
CHAPTER 11	COMPLAINT PROCEDURES	31
11.1	COMPLAINT PROCEDURES	31
11.1.1	Additional Procedures.....	32
CHAPTER 12	ELECTRONIC COMMUNICATIONS.....	33
12.1	ELECTRONIC COMMUNICATION MONITORING	33
12.2	ELECTRONIC COMMUNICATIONS AND PUBLIC RECORDS.....	33
12.3	INTERNET POLICY.....	33
12.4	SOCIAL MEDIA POLICY.....	34
12.4.1	Introduction.....	34
12.4.2	Definitions	34
12.4.3	Social Media Account Access.....	34
12.4.4	Prohibited Content in Agency Social Media.....	35
12.4.5	Expectation of Privacy.....	36
12.5	SOCIAL MEDIA PERSONAL USE	36
12.5.1	Introduction.....	36
12.5.2	No Expectation of Privacy	36
12.5.3	Employee Personal Use of Social Media.....	37
12.5.4	Prohibited Conduct in Personal Social Media	37
12.5.5	Employee Responsibility and Duty to Report.....	38
12.6	MOBILE COMMUNICATIONS POLICY	38
12.7	RECORD RETENTION	38
	RECEIPT OF PERSONNEL POLICIES	39

CAPITAL CITY DEVELOPMENT CORPORATION

Personnel Manual

CHAPTER 1 PURPOSE AND SCOPE

1.1 INTRODUCTION

These personnel policies serve as a general guide to the Capital City Development Corporation's ("Agency") current employment practices and procedures. As such, we hope they will help you better understand how the Agency operates and what is expected of you as an employee. The Agency places the highest value on our employees and their well-being. We want to see that you are a satisfied and productive worker, with the support necessary to achieve the objectives of your position.

It is our belief that when consistent personnel policies are known and communicated to all, the chances for greater job satisfaction increase. These personnel policies serve as a general guide to the Agency's current employment practices and procedures. If you have any questions, please ask your supervisor. As you have ideas or suggestions for improvement, please do the same.

1.2 INTENT OF POLICIES—EMPLOYMENT AT WILL

These policies are not intended to be a contract, express or implied, or any type of promise or guarantee of specific treatment upon which you may rely, or as a guarantee of employment for any specific duration. Your employment with us is **at will**, and either of us may decide to terminate the employment relationship at any time and for any reason.

Please understand that no supervisor, manager or representative of the Agency other than a written statement by the Executive Director has the authority to enter into any agreement with you for employment for any specified period or to make any written or verbal commitments contrary to the foregoing.

1.3 SCOPE OF POLICIES

These personnel policies apply to all Agency employees and do not apply to the appointed Board of Commissioners. In cases where these policies conflict with any Agency resolution, the provisions of a specific written employment agreement, state or federal law, the terms of that law, resolution or agreement prevail. In all other cases, these policies apply.

1.4 CHANGING THE POLICIES

The Capital City Development Corporation Personnel Manual, November 1999, was initially adopted by the Agency Board pursuant to Resolution No. 806, approved at the Board's special meeting of November 3, 1999. The provisions of Resolution No.806 vest certain authority in the Executive Director to make minor modifications of these policies, as the need arises. Any such modification shall be in writing and distributed to all employees. The Executive Director may deviate from these policies in individual situations, particularly in an emergency, in order to achieve the primary purpose of serving the Agency's mission. Any substantive change to this Personnel Manual requires Board action, by approval of a resolution adopting any change or amendment to the Personnel Manual. Revisions to the Personnel Policy were approved in February 2001, October 2001, October 1, 2003, January 14, 2008, May 27, 2008, February 13, 2012, and December 14, 2015.

This Personnel Manual dated January 1, 2016 supersedes any prior manuals used by the Agency.

1.5 DEFINITIONS

1.5.1 Immediate Family

An employee's spouse, child (natural, adopted, step), parents (natural, step, adopted), brother or sister, mother/father-in-law, daughter/son-in-law, grandparents, grandchildren **or** other relative who lives in the employee's home.

1.5.2 Regular Full-Time Employee

An exempt or non-exempt employee who has worked at least 30 days and who regularly works a minimum of forty (40) hours a week.

1.5.3 Regular Part-Time Employee

An exempt or non-exempt employee who has worked at least 30 days and who regularly works less than forty (40) but at least twenty (20) hours a week.

1.5.4 Temporary Employee

Temporary employees may be hired in an intern capacity, may be hired to replace temporarily regular employees who are on vacation or other leave, may be hired to meet peak workload or special needs, or may be hired to fill a vacancy temporarily until a regular employee is hired. A temporary employee is one hired for a specified purpose for a limited duration, generally not more than one year, as approved by the Executive Director. Like all employees, temporary employees' employment is **at will** and the temporary employee can be dismissed at any time and for any reason.

1.5.5 Exempt Employee

Exempt employees are not subject to overtime pay. An employee's classification as exempt or non-exempt is determined by the Executive Director or his/her designee.

1.5.6 Non-Exempt Employee

Non-exempt employees are entitled to overtime pay as provided for in sections 4.2 and 4.3. An employee's classification as exempt or non-exempt is determined by the Executive Director or his/her designee.

CHAPTER 2 GENERAL POLICIES AND PRACTICES

2.1 EQUAL EMPLOYMENT OPPORTUNITY

The Agency is committed to providing equal employment opportunity for all persons without regard to race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran, current, or future military status, or any other applicable legally protected status.

Equal opportunity extends to all aspects of the employment relationship, including hiring, promoting, retaining, training, disciplining, terminating, working conditions, compensation, benefits, and other terms and conditions of employment.

Additionally, the Agency is committed to providing an employment environment that is free from discrimination and harassment. All individuals employed by the Agency are expected to conduct themselves at all times so as to provide a working atmosphere free from discrimination and harassment.

Employees who believe they have been subjected to discrimination or harassment related to their race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran status, or any other applicable legally protected status should report the behavior in accordance with the equal employment opportunity regulations.

The Agency will not discriminate against any applicant or employee in hiring or in the terms, conditions, and privileges of employment based upon pregnancy, childbirth, or related medical conditions.

2.2 DISABILITY DISCRIMINATION

The Agency does not discriminate against any applicant or employee in hiring or in the terms, conditions, and privileges of employment due to disabilities. When the Agency is made aware of any disability which prevents an otherwise qualified applicant or employee from performing a job, the Agency will work with the employee to determine if the employee is disabled and if so, will assess whether any reasonable accommodation would allow the person to perform the job before refusing employment or making a distinction in terms, conditions, or privileges of employment because of the disability. An accommodation which creates an undue hardship on the Agency or which endangers health or safety is not a reasonable accommodation. The Agency will make any reasonable accommodation necessary to allow an otherwise qualified applicant or employee to perform the job.

An otherwise qualified applicant for employment or an employee with a disability who requests reasonable accommodation must inform his or her immediate supervisor or management of the nature of the disability and the accommodation required. The Agency will then follow the procedures set forth above. Employees with access to such information shall maintain the confidentiality of the information to the extent reasonably possible and shall not release the information to anyone who does not have the right or need to know.

2.3 ANTI-HARASSMENT AND DISCRIMINATION POLICY

SEXUAL HARASSMENT AND DISCRIMINATION IS UNLAWFUL AND ABSOLUTELY FORBIDDEN BY THE AGENCY.

It is the Agency's policy to foster and maintain a work environment that is free from discrimination and intimidation. Toward this end, the Agency will not tolerate discrimination or harassment of any kind made by employees toward co-workers or members of the public. Employees are expected to show respect for each other and the public at all times, despite individual differences.

Sexual harassment is behavior of a sexual nature, which is unwelcome. Harassment may include verbal or physical conduct that demeans or shows hostility or aversion toward another employee or members of the public.

The Executive Director and other employee supervisors are responsible for creating an atmosphere free of discrimination and harassment. Further, employees are responsible for respecting the rights of their co-workers and others, including the citizens they serve. The following procedure outlines the steps to follow if you believe you have experienced harassment or discrimination on the job.

If you are subject to a violation of this policy from anyone, including supervisors, fellow employees or managers, immediately bring the problem to the attention of a supervisor or the Executive Director in writing. If the complaint involves the Executive Director, you should report the violation to the Chair of the Board of Directors in writing. The complaint will be promptly investigated. To the extent possible, complaints will be handled confidentially. If an investigation shows the accused employee did engage in improper harassment or discrimination, appropriate corrective action will be taken, as in the case of any other serious employee misconduct, up to and including discharge. No employee shall be retaliated against or otherwise subject to adverse treatment for making a complaint of harassment in good faith.

The Agency prohibits harassment. Harassment is defined as conduct that substantially interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment. This would include, but not be limited to harassing, threatening or offensive conduct directed toward a person's race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran status, or any other applicable legally protected status.

The Agency will actively enforce its policy against harassment. The policy applies to all conduct by any supervisor, manager, coworker, or subordinate, that affects an employee's work environment. The Agency considers a violation of this policy a serious offense requiring disciplinary action, up to and including discharge.

In the event a complaint of harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the employee who brought the complaint, up to and including discharge. While this is in no way intended to discourage any employee who believes he/she has been the victim of harassment from bringing a complaint, the Agency recognizes that a charge of harassment can cause serious damage to the reputation and personal character of the accused.

I have read and understand the Anti-Harassment and Discrimination Policy.

Employee signature

Date

2.4 EMPLOYEE PERSONNEL RECORDS

A personnel file for each employee is kept by the appropriate Agency staff member. An employee's personnel file may contain the employee's name, title and/or position held, job description, salary, changes in employment status, training received, performance evaluations, personnel actions affecting the employee, including discipline, and other pertinent information. Medical information about employees is contained in a separate confidential file.

Employees have the right to review their files during normal business hours, within three (3) business days after a request to do so is received by the Executive Director. An employee may request removal of irrelevant or erroneous information in his/her personnel file. If the Agency denies an employee's request to remove the information, the employee may file a written rebuttal statement to be placed in his/her file.

Personnel files are kept confidential to the maximum extent permitted by law.

2.5 EMPLOYMENT REFERENCES

The Executive Director, his/her designee, or a supervisor will provide employment references on current or former Agency employees. All employees shall refer requests for references to the Executive Director or his/her supervisor. References may be limited to verification of dates of employment, positions held, and salary.

CHAPTER 3 RECRUITING AND HIRING

3.1 RECRUITING

Recruiting practices are based solely on the basis of ability, merit, qualifications and competence, without regard to race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran status, or any other applicable legally protected status.

Any applicant supplying false or misleading information may be subject to immediate termination, if hired.

3.2 HIRING

When a position becomes vacant and prior to any recruitment activity, the Executive Director shall review the position, its job description and the need for such a position. The recruitment and selection process shall be conducted under the direction of the Executive Director.

The Agency may also conduct certain background procedures as allowed or required by law. An example of such procedure is requiring applicants/employees to show proof they are authorized to work in the United States.

3.3 TEMPORARY EMPLOYEES

3.3.1 Temporary, At Will Employees

Temporary employees are **at will** employees. The Executive Director may hire temporary employees to temporarily replace regular employees who are on vacation or other leave, to meet peak work load or special needs, or to temporarily fill a vacancy until a regular employee is hired.

3.3.2 Compensation/Benefits

Temporary non-exempt employees are eligible for overtime pay as required by law as provided for in sections 4.2 and 4.3. Temporary employees do not receive retirement, vacation, sick leave, health insurance, holidays or any other benefits during their employment unless required by law, or approved in writing by the Executive Director for persons whose employment is expected to exceed four (4) consecutive months.

Temporary employees pay contributions to the Social Security System.

3.4 EMPLOYMENT OF RELATIVES (NEPOTISM)

3.4.1 Family Relationship

The immediate family of current Agency employees or persons sharing living quarters will not be employed by the Agency where:

- (1) One of the parties would have authority (or practical power) to supervise, appoint, remove, or discipline the other;
- (2) One party would handle confidential material that creates improper or inappropriate access to that material by the other;
- (3) One party would be responsible for auditing the work of the other; or

- (4) Other circumstances exist that might lead to potential conflict among the parties or conflict between the interest of one or both parties and the best interests of the Agency.

Members of the immediate family of Agency Board members will not be eligible for Agency employment.

3.4.2 Change in Circumstances

If two employees marry, become related or begin sharing living quarters with one another, and in the Agency's judgment, the potential problems noted above exist or reasonably could exist, only one of the employees will be permitted to stay with the Agency, unless accommodations, as determined in the discretion of the Executive Director, can be made to eliminate the potential problem. The decision as to which employee will remain with the Agency must be made by the two employees within thirty (30) calendar days of the date they marry, become related, or begin sharing living quarters with each other. If no decision is made during this time, the Agency reserves the right to terminate either or both employees.

3.5 PROMOTIONS

The Agency encourages promotion from within the organization whenever possible, but reserves the right to seek qualified applicants outside of the organization at its discretion.

CHAPTER 4 HOURS AND ATTENDANCE

4.1 WORKING HOURS

The Agency's standard workweek is Monday through Friday from 8:00 a.m. to 5:00 p.m. with an unpaid lunch period. Due to the nature of the Agency's operations, longer hours may be necessary in some instances.

A normal working schedule for a regular full-time employee consists of forty (40) hours each workweek.

Part-time and temporary employees will work hours as specified by the Executive Director.

4.2 HOURS OF WORK AND OVERTIME

All Agency positions are designated as either "exempt" or "non-exempt" according to the Fair Labor Standards Act ("FLSA") and Idaho Minimum Wage Act regulations. You will be informed of your status by the Agency.

For regular full-time Agency employees, the established work period is forty (40) hours within a seven (7) day workweek. All employees are responsible for accurately reporting all hours worked on forms supplied by the Agency.

Non-exempt employees are entitled to additional compensation, either in cash or compensatory time off, when they work more than forty (40) hours within a seven (7) day workweek. All overtime must be authorized in advance by the Executive Director or his/her designee. Overtime pay is calculated at one and one-half (1.5) times the employee's regular rate of pay for all time worked beyond forty (40) hours within a seven (7) day workweek. When computing overtime, time paid for but not worked (e.g., holidays, sick leave and vacation time), is not counted as hours worked.

Exempt employees are exempt from the FLSA and Idaho Minimum Wage Act overtime provisions and do not receive either overtime pay or compensatory time in lieu of overtime pay. An exempt employee is paid to perform a job, which may not necessarily be completed in a normal week.

4.3 COMPENSATORY TIME

Non-exempt employees entitled to overtime pay may request compensatory time off instead of cash payment. All compensatory time is approved on a case-by-case basis by the Executive Director or his/her designee and must be pre-arranged. The Agency is not required to grant compensatory time instead of overtime pay. If the compensatory time option is exercised, the employee is credited with one and one-half (1.5) times the hours worked as overtime. Maximum accruals of compensatory time shall be limited to 16 hours for regular non-exempt employees. After maximum accrual, overtime compensation shall be paid.

Non-exempt employees will be allowed compensatory time off within a reasonable time period after making a request to the Executive Director or his/her designee, unless doing so would unduly disrupt Agency operations. Compensatory time off should be used for short-term absences from work.

4.4 ATTENDANCE

Punctual and consistent attendance is a condition of employment. The Executive Director, his/her designee, or the immediate supervisor is responsible for the attendance record of the staff.

Non-exempt employees unable to work or unable to report to work on time should notify their supervisor as soon as possible, ordinarily before the work day begins or within thirty (30) minutes of the employee's usual starting time. If an absence continues beyond three (3) days, the employee is responsible for reporting in each day. If the supervisor

is unavailable, the employee may leave a message with the designated representative, stating the reason for being late or unable to report for work.

An employee who is absent without authorization or notification is subject to disciplinary action, up to and including discharge.

This policy is not applicable to employees on designated state or federal military leave, family medical leave, or jury duty. Additionally, nothing in this policy should be construed to change the Agency's at-will relationship with all employees.

4.5 TELECOMMUTING POLICY

4.5.1 Purpose

This purpose of this telecommuting policy is to establish general guidelines for telecommuting. Some goals of the policy are:

1. Enhance performance and increase productivity.
2. Mitigate any potential or perceived safety issues if long hours must be worked.
3. Provide for flexibility:
 - a. Telecommute occasionally to complete a special project.
 - b. Telecommute only a portion of the day.
 - c. Telecommute on a scheduled, part-time basis.

4.5.2 Participation

Telecommuting is voluntary, but it is not a right and is subject to approval by the Executive Director. Generally, non-exempt employees are providing support services for exempt staff and public contact services. Absence from the office would hinder productivity rather than enhance it. Most often non-exempt staff are not assigned special projects that can be completed outside work hours nor required to work long or late hours.

4.5.3 Equipment

Telecommuting equipment must be provided by the employee. The Agency will supply the support services and communication software necessary to access the work desktop. Any operating system or hardware upgrades or purchases or any modem or phone line installation and maintenance necessary to participate in the telecommuting program must be provided by the employee. Additionally, workspace needs are the responsibility of the employees. The Agency assumes no responsibility for personal equipment or associated costs.

Employee must provide for adequate protection to prevent unauthorized access to Agency desktop computers or other Agency equipment. This may include, but is not limited to a secure in-house location with no unauthorized access to the home computer and password authorization.

4.5.4 General Issues

Telecommuting is not a right. This program must be utilized to benefit the Agency. Budgetary demands are a factor and the Executive Director determines the benefit to the Agency. Exempt employees working additional hours through the telecommuting program need not secure Executive Director permission. Exempt employees utilizing

the telecommuting program in lieu of working in the office during the standard working hours must establish a schedule through the Executive Director. The Executive Director may determine non-exempt staff need access to the telecommuting program.

Employees are covered by Workers Compensation during their telecommuting work hours.

4.6 BREAKS AND MEAL PERIODS

Non-exempt employees are provided one (1) fifteen-minute break for every four hours worked. All breaks shall be arranged so they do not interfere with Agency business or service to the public. Break periods will be scheduled as near as possible to the mid-point of each four-hour work period. Break periods MAY NOT be accumulated or taken at the beginning or end of any work period (i.e., morning or afternoon shift).

Lunch periods are unpaid. Meal periods for non-exempt employees shall be scheduled by the employee's supervisor. Meal periods must be taken not less than two (2) hours or more than five (5) hours from the beginning of the shift. Lunch break scheduling and duration will be established by the employee's supervisor provided that lunch breaks for non-exempt employees shall be no less than 30 minutes. The scheduling of meal periods may vary depending on workload. Unused lunch periods (e.g., only 30 of an allotted 60 minutes lunch period is used) may not be carried forward or accrued or used at other times of the day without the specific pre-approval of employee's supervisor.

4.7 BREAK TIME FOR NURSING MOTHERS

The Agency will provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk. The frequency of breaks needed to express milk as well as the duration of each break will likely vary. The Agency shall provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk. A bathroom, even if private, is not a permissible location under the Patient Protection and Affordable Care Act. The location provided must be functional as a space for expressing breast milk. If the space is not dedicated to the nursing mother's use, it must be available when needed in order to meet the statutory requirement. A space temporarily created or converted into a space for expressing milk or made available when needed by the nursing mother is sufficient provided that the space is shielded from view, and free from any intrusion from co-workers and the public. Breaks taken for the purpose of expressing milk are unpaid.

4.8 PAYROLL RECORDS

The official payroll records are kept by the Finance Department. Each employee shall turn in a signed work record bi-weekly for each pay period, as specified by the Finance Officer.

CHAPTER 5

TRAVEL/MEETING EXPENSE POLICY

5.1 GENERAL POLICY

Any person authorized to perform official business on behalf of the Agency may incur travel/meeting expenses. It is expected that good judgment, prudence and discretion will be exercised while conducting Agency business. The itinerary of an employee shall be planned to eliminate unnecessary travel in the performance of work assignments. Should travel companions accompany any person authorized to perform official business on behalf of the Agency, it is expected that they will pay for their costs without causing any charges to accrue to the Agency. Transitioning between home and work is not considered travel for the purpose of this policy.

5.2 VEHICLE USE

The cost of transportation by private vehicles is reimbursed at the rate established by the State Board of Examiners, computed according to a commonly used online mapping utility which supports the distance as the most direct and/or efficient route.

If private conveyance is used, liability insurance in the amount required by Idaho Code § 49-117(16) shall be provided. Employees shall have current vehicle insurance and a valid driver's license when using a private vehicle for Agency business. The employee's insurance is considered by State statute to be primary before the Agency's insurance. If an employee is involved in an accident and does not have a valid driver's license and insurance the Agency will disclaim any liability and the employee will be personally liable.

5.3 AIRFARE

The cost for commercial airfare shall be limited to the lowest available class of passage rate, such as "coach" or similar classification. Airfare at other classes and seat selection or other upgrade fees are not allowed unless properly documented that the seat selection, upgrade fees, or class of passage at a higher rate was necessary due to availability, physical limitations or other factors, and that the ticket was purchased at the earliest opportunity. Baggage fees charged by commercial airlines are allowable not to exceed one checked bag and one carry-on bag per departure unless additional baggage costs are necessary and approved in advance. Any additional costs, such as in-flight services, internet access or entertainment, are not allowable and are the responsibility of the traveler, unless a valid business purpose is identified and approved in advance by the designated authority. Costs incurred should always be the most economical under the circumstances. Whenever possible, courtesy services offered by hotels or hosting agencies should be used. Costs incurred before or after a scheduled meeting which are not necessary to perform official business are not expenses of the Agency.

5.4 REIMBURSEMENTS

A completed travel expense report shall be submitted to the Executive Director or the appropriate supervisor for signature within five (5) week days of return from the trip. This form is required for every trip even if the only Agency expense is the per diem meal allowance. Extra expense such as bridge tolls, garage and parking fees and like expenses shall be allowable in addition to the mileage reimbursement. The mode and route of travel shall be those allowable travel expenses actually incurred by the traveler by use of the most economical mode, from the standpoint of time, cost, and practicality. Cost should include overtime and compensatory time amounts that may accrue under the Fair Labor Standards Act for non-exempt employees. If public transportation is used, costs by common carrier including bus, train, rental car, and airlines are allowable. Receipts for non per diem expenses shall be submitted upon return. Reimbursable airline travel shall be limited to coach or other normally lowest cost passage.

Traveling employees who rent automobiles for Agency business purposes shall purchase liability, comprehensive, and collision coverage through the rental agency, unless the automobile rental amount is paid by means of a personal

credit card that provides such rental car insurance coverage. In the event that the employee fails to buy insurance through the rental car company, the employee shall be personally responsible for damages and other liability incurred through rental and use of the automobile. Subsistence allowance shall cover actual necessary expenditures for lodging, provided that receipts are presented. Food including tips and incidentals are paid on a per diem basis.

Lodging will be reimbursed at actual cost not to exceed single rate for (1) person plus tax or the actual cost if a room is shared. An original receipt shall be submitted for settlement of the travel expense. A government room rate should be secured whenever possible.

Meals and incidental expenses - The Agency uses a per diem method for meals of employees while on overnight out of town travel. The per diem amounts are consistent with those set forth in the State Travel Policy and Procedures (<https://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm>), set forth in Appendix A hereto which also require that if an employee receives a meal at nominal or no cost, the per diem shall be adjusted by deducting the appropriate amount. A continental breakfast such as muffins, bagels, fruit, and coffee that is provided free of charge will not reduce the employee's meal allowance.

For partial days away from home, the per diem amount should be adjusted using the meal breakdown chart and the employee's travel schedule. At no time may the adjusted amount be more than the per diem for the day. Please refer to the per diem rate and meal breakdown charts on the State Travel Policy and Procedures (<https://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm>).

Reimbursement will be made for miscellaneous expenses such as taxis, shuttles, etc. Reimbursement for telephone calls pertaining to official Agency business will be paid. An item not specifically described or requests to exceed the above regulations as an allowable expense, but which are nevertheless necessary in the performance of official travel duties for the Agency, may be reimbursable upon submission of a receipt, a thorough explanation and approval by the Executive Director.

5.5 ADDITIONAL ALLOWABLE INCIDENTAL EXPENSES

- Conference material which may be useful to work. These supplies are and will remain the property of the Agency.
- Registration fees required in connection with attendance at conventions, conferences, schools, and official meetings. All requests for registration at such functions must be accompanied by a complete published agenda of the event.

5.6 EXPENDITURES NOT REIMBURSABLE

Certain travel/meeting expenses are considered personal and not essential to the transaction of official Agency business:

- Alcoholic beverages.
- Personal entertainment and transportation.
- Theft, loss or damage to personal property.
- Expenses of spouse, family or other persons not authorized to receive reimbursement under this policy.
- Airline and other trip insurance.

- Medical or hospital expenses.
- Personal toilet articles, postage, reading material, telephone calls.

5.7 DOCUMENTATION

An expense report shall be completed within one week of incurring expenses. No expense report for reimbursement shall be paid unless bona fide vendor receipts accompany it. Such receipts should show the date, a description of the purchase, vendor identification and amount paid. Receipts are required for all expenses over \$5.00. If it is necessary in the course of Agency business to pay for persons not considered Agency employees, the bona fide vendor receipt should include comments detailing the names of additional persons and the purpose for incurring the additional cost.

Should any person use a corporate credit card to charge travel/meeting expense and not provide proper documentation, that person shall pay the incurred expense.

5.8 CORPORATE CREDIT CARD

Corporate credit card use shall be limited to business purposes. Violations of this policy shall subject the individual to dismissal. Any unauthorized charge on the card shall be the responsibility of the individual.

CHAPTER 6
PERFORMANCE EVALUATIONS, COMPENSATION PLAN AND TRAINING

6.1 PERFORMANCE EVALUATIONS AND COMPENSATION PLAN

To achieve the Agency's goal to train, promote and retain the best-qualified employee for every job, the Agency will conduct yearly performance evaluations for all positions. The Executive Director or designee is responsible for developing and maintaining the Agency's performance evaluation program and compensation plan. The Agency's compensation plan may include position descriptions, pay grades, salary ranges, reviews, reclassification or promotions, reporting relationships and bonuses. The compensation plan is intended to provide flexibility and is subject to changes based on direction from the Agency Board or by the Executive Director.

6.2 TRAINING POLICY

Employee training and professional development are core Agency values. The Agency seeks, within the limits of available resources, to offer training to increase an employee's skill, knowledge and abilities directly related to Agency employment, to obtain or maintain required licenses and certifications, to maintain professional designations and certifications related to position responsibilities, and to develop staff resources. Opportunities may include but are not limited to: on-the-job training, in-house workshops and seminars sponsored by other agencies or organizations, continuing education, and memberships with professional organizations as authorized by the Executive Director.

CHAPTER 7 BENEFITS

7.1 RETIREMENT BENEFITS

The Agency has elected to participate in the Public Employee Retirement System of Idaho (PERSI). PERSI is a defined benefit retirement plan and is mandatory for eligible employees. Employees are eligible to participate in PERSI if they normally work twenty (20) hours or more per week and the term of employment is for five (5) consecutive months or longer.

As a PERSI member you have a percentage of your gross salary deducted, tax deferred, from your bi-weekly paycheck as contribution toward your retirement. Additionally, the Agency contributes a percentage toward retirement

Active members of PERSI earn service credit toward a PERSI retirement. Most members are vested when they acquire 60 months of service. Once vested an employee may be eligible to claim a monthly lifetime retirement benefit.

PERSI also offers a supplemental retirement savings plan called the Choice 401(k) Plan, which allows PERSI eligible employees to make voluntary contributions.

For more information, please contact human resources and/or visit PERSI at www.persi.state.id.us/.

7.2 DISABILITY BENEFITS (WORKERS' COMPENSATION)

7.2.1 Coverage and Claims

All employees are covered by worker's compensation insurance. This insurance covers employees in case of on-the-job injury or job-related occupational disease. The Agency's workers' compensation insurance carrier will pay the employee for workdays lost and medical costs attributable to job-related injuries or occupational diseases. **All job-related accidents must be reported immediately to the supervisor.**

When an employee is absent for one or more days due to an on-the-job accident or occupational disease, he/she is required to file a claim for Workers' Compensation. If the employee files a claim, the Agency will pay the employee's regular salary from the employee's sick leave pending determination of eligibility for Workers' Compensation benefits.

7.2.2 Coordination of Benefits

If the employee is determined to be eligible for Workers' Compensation benefits the Agency will credit the amount of personal sick leave used until payment of workers' compensation benefits commences. This policy is to ensure that employees will receive prompt and regular payment during periods of injury or disability, so long as accrued sick leave is available pending determination of entitlement to workers' compensation benefits. Upon determination of entitlement to workers' compensation benefits, the appropriate amount of sick leave shall be restored to the employee's account. (Please also see Section 8.11 of this Policy manual.)

Subject to the Idaho Workers' Compensation laws and in coordination with the Agency's workers' compensation insurance carrier, the Agency may require an examination at its expense, performed by a physician of its choice.

7.3 HEALTH INSURANCE BENEFITS

Regular full-time and part-time employees and their dependents are eligible to participate in the Agency's various insurance programs as of the 1st of the month following the date of employment. The programs and criteria for

eligibility will be explained upon hire. The Agency pays the cost of premiums in the amounts authorized by the Agency Board. The Agency reserves the right to make changes in the carriers and provisions of these programs when deemed necessary or advisable.

Temporary employees will normally not be eligible for group health insurance coverage.

7.3.1 Employee Assistance Program

As part of the Agency's insurance programs, the Agency has provided for an Employee Assistance Program (EAP) for its employees through which employees and their dependents are able to obtain appropriate and necessary care for problems they may suffer and for such other personal problems as may interfere with their productivity and general welfare. The program and criteria for eligibility will be explained upon hire. The Agency pays the costs imposed by the provider of the program in the amounts authorized by the Agency Board. The Agency reserves the right to make changes to this program when deemed necessary or advisable, with prior notice to affected employees.

7.4 CONTINUATION OF INSURANCE COVERAGE

7.4.1 Workers' Compensation Benefits

An employee receiving Workers' Compensation benefits continues to accrue vacation leave and sick leave for up to six (6) months. The Agency also continues to pay for the employer's portion of health insurance premiums. After six (6) months, the employee's healthcare benefits shall cease. The employee may continue health care benefits by self-paying insurance premiums for the remainder of the time he/she receives Workers' Compensation benefits.

7.4.2 Termination, Retirement, Leave of Absence

For eligible employees who terminate, retire or are on an approved leave of absence, the Agency will pay the Agency's share of the premium for the month the employee is leaving.

7.5 TUITION REIMBURSEMENT POLICY

The Agency is committed to continuous learning. As a means to pursue this goal and to encourage professional growth and increase effectiveness in its employees, the Agency will provide tuition reimbursement for regular full-time employees who have been employed by the Agency for at least one year. In addition, the employee must be continuously employed as a regular full-time employee at the time the class is completed and at the time request for reimbursement is submitted. The employee must maintain regular full-time employment with the Agency for one year after receiving reimbursement to avoid re-payment of the benefit.

Participation is subject to the availability of funds.

An employee's participation in the program will not adversely affect departmental operations or services.

The time scheduled by an employee to attend classes during working hours must be made up during the employee's pay cycle.

The employee's supervisor must verify that course is job-related. Job related courses are:

Credit course(s) whose content is of direct and significant assistance to the employee in fulfilling present duties and responsibilities or advancing professional development. Courses that are not directly related to a specific job, but form part of a job-related degree program, may also qualify for this benefit. Continuing education and audited courses do not qualify nor does course work undertaken solely for self-enrichment.

Under this policy employees may be reimbursed for up to two job-related courses per fiscal year in an amount not to exceed \$1,000. Courses must be taken from an accredited, degree-granting college or university.

The employee must complete the course(s) with a grade of “C” or better. In the case of pass/fail classes, the employee must pass the class.

Employees must pay tuition and required fees when registering for courses at eligible institutions. Tuition and fees excluding application fees will be reimbursed only after proof of successful completion of the course(s) and proof of payment is provide. Fees include books and supplies.

If reimbursement is available through other sources such as grants or scholarship, those avenues of reimbursement must be pursued before reimbursement from the Agency is sought.

It is the employee’s responsibility as a taxpayer to assess the tax consequences of reimbursement for educational expenses and comply with existing provisions of the Internal Revenue Code.

Application for reimbursement must be made in writing with attached documentation of course payment and completion.

**CHAPTER 8
LEAVES**

8.1 DEFINITIONS

For purposes of this Chapter, the following definitions shall apply:

8.1.1 Dependent Children

Dependent children are children of an employee through age 26 (including stepchildren, foster children, legally adopted children, legal wards or a child of a person standing in loco parentis).

8.1.2 Immediate Family

Immediate family is an employee's spouse, child (natural, adopted, step), parents (natural, step, adopted), brother or sister, mother/father-in-law, daughter/son-in-law, grandparents, grandchildren, **or** other relative who lives in the employee's home.

8.1.3 Serious Health Condition

Serious health condition is an illness, injury, impairment, or physical or mental condition that involves: (a) in-patient care in a hospital, hospice or residential medical care facility; or (b) continuing treatment by a health care provider.

8.2 VACATION LEAVE

8.2.1 Accruals

Vacation hours are accrued at the end of each pay period. Each regular full-time employee is entitled to vacation leave as follows:

Years of Employment	Vacation Hours Earned
Beginning of eligibility through the completion of the first year	10 hrs/month
Beginning of year 2 through the completion of the fourth year	12 hrs/month
Beginning of year 5 & over	14 hrs/month

Regular part-time employees will receive vacation on a pro-rata basis.

Temporary employees are not eligible except as provided by Section 3.3 for any vacation benefits. Employees do not accrue vacation benefits during a leave without pay in any month in which compensation is not paid.

8.2.2 Accelerated Vacation Accruals for Exempt Level Employees

In order to ensure the Agency is competitive in hiring and retaining the most qualified employees in exempt level positions, the Executive Director is authorized to agree to initial lump sum and specific monthly accruals of time which exceed the schedules of earning contained in *Section 8.2.1*. Such agreements must be in writing and be retained in both the personnel and payroll file of that employee.

8.2.3 Limits on Accruals

The maximum number of vacation hours which may be carried over from one calendar year to the next is one year's accrual at the current earning rate for that employee, provided however, that the total accrual of unused vacation leave shall not exceed 1.5 times the current annual rate. (Please note: the maximum number of unused vacation hours is pro-rated for a part-time regular employee to reflect his/her normally scheduled workweek.)

Any leave accruals exceeding the maximum carryover on December 31 of each year will automatically be forfeited unless otherwise specifically authorized in writing by the Executive Director or designee.

In cases where Agency operations have made it impractical for an employee to use vacation time, the Executive Director may in his or her sole discretion authorize additional carryover or temporarily increase the total accrual limit for unused leave.

In recognition that the demands of work schedules may prevent the appropriate use of accumulated vacation leave, at the sole discretion of the Executive Director, exempt employees may be paid for up to one-half of current accrual balance of vacation time per year.

8.2.4 Using Vacation Leave

An employee may take vacation leave only after obtaining permission from the appropriate supervisor or Executive Director, as the case may be. Vacations must be scheduled to meet the operating requirements of the Agency, and, as far as practicable, the preferences of the employee. The maximum number of hours an employee may take is the number of hours posted to his/her account at the time the vacation leave is taken; an employee may not "borrow" from vacation accruals not yet earned.

If due to Agency convenience, a pre-approved vacation must be cancelled or changed causing out-of-pocket expense to the employee, then the Agency may reimburse the employee for the unrecoverable portion of the out-of-pocket expense.

8.2.5 Payment for Vacation Accruals at Termination

When leaving Agency service, an employee will be paid, at the base hourly rate as of the date of departure, a lump sum for all accrued unused vacation which has not been forfeited, but only up to the maximum accrued amount.

8.3 SICK LEAVE

8.3.1 Accruals

All full-time regular employees accrue sick leave benefits at the rate of eight (8) hours for each calendar month of continuous employment. Four (4) hours of sick leave is accrued as of each pay period. Regular part-time employees may accrue sick leave benefits on a pro-rata basis according to hours worked. The hours accrued for a particular pay period cannot be used by an employee in advance of or during the pay period they are accrued.

Temporary employees do not earn sick leave benefits except as provided in Section 3.3. Employees do not accrue sick leave benefits during a leave without pay in any month in which compensation is not paid.

8.3.2 Limits on Sick Leave Accruals

The maximum number of hours an employee may carry in his/her sick leave balance is 720 hours.

8.3.3 Using Paid Sick Leave

Acceptable use of sick leave covers those situations in which an employee is absent from work due to:

- (1) Employee's own health condition (illness, injury, physical or mental disability, including disability due to pregnancy or childbirth);
- (2) The need to care for an immediate family member who is ill;
- (3) Medical or dental appointments for the employee or employee's immediate family, provided that the employee must make a reasonable effort to schedule such appointments at times which have the least interference with the work day;
- (4) Exposure to a contagious disease where on-the-job presence of the employee would jeopardize the health of others;
- (5) Use of a prescription drug that impairs job performance or safety;
- (6) Additional leave beyond bereavement leaves for a death in the immediate family, to be authorized by the Executive Director.

A doctor's certificate may be required when an employee is absent for a period in excess of three (3) days. Abuse of such leave may subject the employee to discipline or termination.

Employees who use all their accumulated sick leave and require more time off work due to illness or injury may, with their department head's prior approval, request a leave without pay or use accumulated compensatory time, if any.

Employees will not be paid for any unused sick leave upon leaving Agency service for any reason. Sick leave is a benefit solely for use by an employee to receive pay for absences while employed, and is not an entitlement.

8.4 LEAVE WITHOUT PAY

The Executive Director may grant leaves of absence without pay for absence from work not covered by any other type of leave or if other leave balances are exhausted. Examples of situations for which leave without pay may be granted include time off work for personal reasons such as prolonged illness, or parenting.

8.5 JURY AND WITNESS LEAVE

8.5.1 Jury Duty

The Agency provides all employees leave for the full period of jury duty service. Regular full-time and part-time employees who have worked for the Agency for at least 30 days receive paid jury duty leave of up to two weeks each time they are called for jury service. In general, if jury duty extends beyond two weeks in any one instance, the additional leave will be unpaid or vacation time or a floating holiday may be used at the discretion of the employee's supervisor. Exempt salaried employees who are asked to serve longer than two weeks should contact the Executive Director to discuss whether further paid leave will be provided. Payment provided by the courts during periods of paid jury duty leave must be turned over to the Agency, excluding expense reimbursements, such as mileage. You must provide your supervisor with a copy of the jury duty summons as soon as possible after receiving it. Upon completion of jury duty, you are required to provide your supervisor with proof of jury service.

8.5.2 Witness Duty

All employees summoned to testify in court are allowed time off for the period they serve as witnesses. In general, witness duty leave is unpaid unless you are a witness in a case involving the Agency. For exempt employees,

however, salary payment will continue except for full-day absences caused because the employee is a party in a lawsuit.

8.6 ADMINISTRATIVE LEAVE

On a case-by-case basis, the Agency may place an employee on administrative leave with or without pay for an indefinite period of time. Administrative leave may be used in the best interests of the Agency as determined by the Executive Director during the pendency of an investigation or other administrative proceeding.

8.7 MILITARY LEAVE

The Agency provides all employees with leave while performing military service in accordance with federal and state law.

If you require time off from work to fulfill military duties, you will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify your supervisor and provide a copy of your orders as soon as possible.

8.8 BEREAVEMENT LEAVE

The Agency provides regular full-time and part-time employees with paid leave for up to five (5) days in the event of the death of an immediate family member.

8.9 HOLIDAYS

The following are recognized as paid holidays for all regular full-time and part-time employees:

New Year's Day	January 1
Martin Luther King's Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after Thanksgiving
Christmas Day	December 25
Floating Holiday (2)	Two days selected independently by each employee with supervisor's advance approval.

Any holiday falling on Saturday will be celebrated on the preceding Friday. Any holiday falling on Sunday will be celebrated on the following Monday.

Non-exempt regular full-time or part-time employees will be paid for the holiday at one and one-half times their regular rate of pay for any time worked on the observed holiday. Such time must be pre-authorized by the Executive Director.

Temporary employees will be paid at their regular straight-time rate for hours worked on an observed holiday.

8.10 RELIGIOUS HOLIDAYS

If an employee's religious beliefs require observance of a holiday not included in the basic holiday schedule, the employee may, with the Executive Director's approval, take the day off using vacation, compensatory time, a floating holiday day or leave without pay.

8.11 ON-THE-JOB INJURIES AND TIME LOSS CLAIMS

Any employee involved in any accident or suffering a job-related injury or occupational disease is required to report the accident and/or injury/illness to his/her supervisor immediately. **Failure to report may be grounds for denying workers' compensation, and/or cause for discipline up to and including dismissal.**

Whenever an on-the-job injury causes a regular employee to take time off work for treatment and/or recuperation ("time loss"), that time is charged to the employee's sick leave balance, if any, until the State of Idaho Industrial Commission, or the Agency's workers' compensation insurance carrier, has determined whether the claim is covered under the Workers' Compensation program. If the injury is covered by the Workers' Compensation program any sick leave which has been used will be restored to the employee's sick leave balance.

If the ruling is that the time loss is not covered by the Workers' Compensation program, then the employee will continue to be charged sick leave for the time loss. If the employee exhausts all his/her sick leave, then the employee will be charged his/her vacation, and finally may be placed on leave without pay.

8.12 FAMILY AND MEDICAL LEAVE

8.12.1 Reasons for Family or Medical Leave

Federal Law provides that certain public agencies must provide family and medical leave benefits. The Agency will comply with this law when required. Employees will be eligible for this leave when they have been employed by the Agency for at least 12 months, and have worked at least 1250 hours in the 12 months before the leave. Essentially this means that new employees, and part time employees, may not be eligible for such leave. Eligible employees are entitled to Family or Medical Leave for the following reasons:

a. Employee's Serious Health Condition

An employee may take Family or Medical Leave for the employee's serious health condition, when that condition prevents the employee from performing the essential functions of his or her job. This could include leave taken by a mother for a serious health condition related to pregnancy. An employee who needs this type of leave must give thirty (30) days' notice to the Executive Director, if the need for leave is foreseeable, or as much notice as is practicable if the need for leave could not be foreseen.

b. To Care for a New Child

An employee may take Family or Medical Leave to care for a newborn child, a newly adopted child, or a child placed for foster care in the home of the employee. Leave for this purpose must be taken within one year of the birth or placement of the child. An employee who anticipates the need for such leave must provide notice to the Executive Director at least thirty (30) days in advance, unless the need for such leave was not foreseeable, in which case the employee must give as much notice as is practicable under the circumstances.

c. To Care for a Spouse, Parent or Child With a Serious Health Condition

An employee may take leave when the employee is needed to care for the employee's spouse, parent or child who has a serious health condition as described above. The same type of notice as that required for leave for the employee's own serious health condition is required.

8.12.2 Requests for Family or Medical Leave

All requests for family leaves, paid or unpaid, must be comply with work rules, including work rules regarding notification of illness. In addition, at the time leave is requested, the Agency reserves the right to require the employee to obtain a medical certification from a physician, on a form provided by the Agency. This medical certification will allow the Agency to verify that the leave qualifies for Family or Medical Leave. Anytime the Agency requests such a certification, the certification must be returned within 15 days. If not returned, the leave may be delayed until the certification is completed. The burden is thus on the employee to return the medical certification as soon as possible so that leave will not be delayed.

8.12.3 Use of Paid Leave for Family or Medical Leave

An employee may choose, or the Agency may require, use of paid sick leave accruals when the leave is taken for a serious health condition of the employee, parent, child or spouse, or when leave is taken to care for a new child, by birth, adoption or foster care placement. In addition, vacation leave, a floating holiday, or comp time accrued may be used by the employee, at the option of the employee, if the employee requests time off according to his/her department's work rules. Any leave taken beyond such accrued leave is unpaid leave.

8.12.4 Length of Leave

The employee is entitled to up to 12 weeks of unpaid leave in any 12-month period for family or medical leave. A 12-month period shall be measured forward from the first date of an employee's family or medical leave (i.e., if the first day of family or medical leave is March 15, the 12-month period will run through the following March 14).

8.12.5 Benefits

Regular employees taking leave without pay must first exhaust all posted vacation before moving to unpaid status. An employee on leave of absence without pay does not accrue vacation and sick leave during the period of leave.

An employee on leave of absence for family or medical leave will continue to receive group health and life insurance benefits during the leave to the same extent as if the employee had been continuously employed during such leave. The Agency will pay the employee's proportionate share of insurance to the same extent as it pays for other employees.

Employees should contact the Financial Officer prior to going on leave, or as soon as possible if the need for leave was not foreseeable, to make arrangements for the continuation of health benefits during the leave, and to ensure that new children are added to the appropriate insurance coverage. Where an employee has been responsible for premiums for family or other coverage, arrangements must be made to assure payment of such premiums during the course of the leave.

Employees may be required to provide periodic medical certifications to substantiate the continuing need for family or medical leave. In addition, employees are required to update the agency at least weekly on the status of their return to work.

8.12.6 Return to Work

Upon returning from qualifying medical or family leave, the employee is entitled to be reinstated to the same position held before the leave, or to a position with equivalent pay, benefits and conditions. Employees who have exhausted their 12 week entitlement but do not return from their leave will be terminated to the extent permissible by law.

8.13 PAID PARENTAL LEAVE POLICY

Maternity/paternity/adoption leave under this policy is paid leave associated with the birth of an employee's own child or the placement of a child with the employee in connection with adoption or foster care. Maternity/paternity/adoption leave is not charged against the employee's other paid leave credits. The maximum amount of Paid Parental Leave is six (6) weeks. Employees will be eligible for this leave when they have been employed by the Agency continuously for at least 6 months. New employees may not be eligible for such leave unless approved in writing by the Executive Director. Temporary employees are not eligible for paid maternity/paternity/adoption leave under this policy. Paid Parental Leave is compensated at 100 percent of salary.

After the six (6) weeks of maternity/paternity/adoption leave have been exhausted, subsequent leave will be covered under appropriate policies. The FMLA allows employees up to 12 workweeks of unpaid leave annually. Paid leave under this policy will run concurrently with FMLA leave. After paid maternity/paternity/adoption leave is exhausted, the employee is required to apply any other available paid leave or take leave without pay, which will also run concurrently with FMLA leave.

8.14 LEAVE AND BENEFITS FOR PART-TIME AND TEMPORARY EMPLOYEES

Unless noted otherwise in these policies, benefits for regular part-time and temporary employees are as follows:

8.14.1 Regular Part-Time Employees

All leaves, including holidays, are pro-rated. Pro-rated means the ratio between the number of hours in the employee's normal work schedule and (40) hours per week.

8.14.2 Temporary Employees

Temporary employees normally are not eligible to receive benefits, including leaves, holidays and insurance, except as provided in Section 3.3.

CHAPTER 9 EMPLOYEE RESPONSIBILITIES AND CONDUCT

9.1 GENERAL CODE OF CONDUCT

CCDC is a public agency and a vital part of the city's local government. Its work requires daily interaction with public officials, business leaders, the media, and the general public. Employees are public servants working in the public eye and stewards of public funds. Employees must respect and act on the direction provided by the governing board, the Executive Director and supervisor. Employees should use discretion and appropriate deference when expressing opinions on Agency-related matters.

For the Agency to be successful, all employees must represent the Agency in a professional, pleasant, courteous, tactful, efficient and helpful manner. Agency success also depends on each employee's job performance, professional conduct and behavior. The Agency expects tact and courtesy towards the public and fellow employees, respectful communications; adherence to Agency policies, procedures, safety rules and safe work practices; compliance with directions from supervisors; preserving and protecting the Agency's equipment, grounds, facilities and resources and providing orderly and cost efficient services to its citizens.

Employees must maintain a clean and neat appearance appropriate to their work assignment, as determined by their position and the Executive Director.

Nothing in this section alters the at-will status of employment at the Agency or the ability of the Agency, or any employee, to terminate the employment relationship at any time.

The Agency is a relatively small organization. To function as efficiently as possible, the Executive Director may ask employees to perform duties outside regular assignments. It is no reflection on the employee's worth to the Agency, but a necessary arrangement for most small organizations.

To make the most efficient use of personnel, the Agency also reserves the right to change an employee's work conditions and the duties originally assigned. All positions may include other duties as assigned. Employee responses such as "that is not my job" may be considered a performance issue.

9.2 OUTSIDE EMPLOYMENT AND CONFLICTS OF INTEREST

Employees shall not, directly or indirectly, engage in any outside employment or financial interest which presents a conflict of interest as defined in the Idaho Code, or interferes with the employee's ability to perform his/her assigned Agency job. Examples include, but are not limited to, outside employment that:

- (1) Prevents the employee from being available for work as required to meet the obligations of their employment;
- (2) Is conducted by non-exempt employees during the employee's work hours;
- (3) Incurs costs to the Agency, such as unreimbursed long distance charges;
- (4) Is with a firm that has contracts with or does business with the Agency;
- (5) May reasonably be perceived by members of the public as a conflict of interest or otherwise discredits public service;

An employee who chooses to have an additional job, contractual commitment or self-employment should consult the Agency's Code of Ethics to determine whether a conflict with Agency employment might exist and take prescribed action if warranted.

9.3 REPORTING IMPROPER GOVERNMENTAL ACTION

State law provides protection to employees who, in good faith, report instances of government waste or abuse. If you report such misconduct and your reporting is within the protection of this law, you cannot be terminated in retaliation for such reporting.

9.4 POLITICAL ACTIVITIES

Agency employees may participate in political or partisan activities of their choosing provided that Agency resources and property are not utilized, and the activity does not adversely affect the responsibilities of the employees in their positions. Employees may not campaign on Agency time or while representing the Agency in any way. Employees may not allow others to use Agency facilities or funds for political activities.

Any Agency employee who meets with or may be observed by the public or otherwise represents the Agency to the public, while performing his/her regular duties, may not wear or display any button, badge or sticker relevant to any candidate or ballot issue during working hours. Employees shall not solicit, on Agency property or Agency time, for a contribution for a partisan political cause.

Except as noted in this policy, Agency employees are otherwise free to fully exercise their constitutional First Amendment rights (political activity and free speech), unless the Agency's right to govern effectively outweighs the employee's rights.

9.5 NO SMOKING POLICY

For health and safety considerations, the Agency prohibits smoking by employees in all Agency facilities, including Agency-owned buildings, vehicles, and offices or other facilities rented or leased by the Agency, including individual employee offices.

9.6 PERSONAL POSSESSIONS AND ELECTRONIC COMMUNICATIONS

The Agency furnishes desks, closets, and/or lockers for security of employee coats, purses, and other personal possessions. We do not, however, assume responsibility for any theft or damage to the personal belongings of employees, and we reserve the right to search employee desks, lockers, and personal belongings brought onto Agency premises, if necessary.

The Agency also furnishes computers for use in conducting Agency business. The computers are the Agency's property. Because the computers are for Agency business, the Agency reserves the right to review the contents of any files or documents on the computer, including contents of any electronic mail. By using Agency equipment, you consent to such access by the Agency. Agency computers may not be used for personal business other than incidental communication resulting in no additional cost to the Agency.

9.7 USE OF AGENCY VEHICLES AND EQUIPMENT

Use of Agency phones for local personal phone calls should be kept to a minimum; unreimbursed long distance personal use is prohibited. The personal use of wireless phone/messaging service which results in increased cost to the Agency must be reimbursed by the Employee. Other Agency equipment, including vehicles, should be used by employees for Agency business only. An employee's misuse of Agency services, telephones, vehicles, equipment or supplies can result in disciplinary action including termination.

9.8 BULLETIN BOARDS

Information of special interest to all employees is posted regularly on the Agency bulletin boards. Employees may not post any information on these bulletin boards without the authorization of the Executive Director or designee.

9.9 CONTACT WITH THE NEWS MEDIA

The Executive Director or designee shall be responsible for all official contacts with the news media, including answering of questions from the media. The Executive Director may designate specific employees to give out procedural, factual or historical information on particular subjects.

9.10 SEAT BELT, CELLULAR PHONE AND TEXTING POLICY

Per Idaho law, anyone operating or riding in Agency vehicles must wear seat belts at all times. Additionally, the Agency expects its employees to refrain from using their phone or media device while driving in the course and scope of their employment. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short and use hands-free options. Texting while driving is strictly prohibited. Violation of this policy may lead to disciplinary action, up to and including termination.

9.11 DRIVER'S LICENSE REQUIREMENTS

As part of the requirements for certain specific Agency positions, an employee may be required to hold a valid Idaho State Driver's license. If an employee's license is revoked, suspended or lost, or is in any other way not current, valid, and in the employee's possession, the employee shall promptly notify the Executive Director and will be immediately suspended from driving duties. The employee may not resume driving for Agency business until proof of a valid, current license is provided to the Executive Director. Depending on the duration of license suspension or revocation, an employee may be subject to disciplinary action, including termination.

9.12 SOLICITATIONS

Most forms of selling and solicitations are inappropriate in the workplace. They can be an intrusion on employees and citizens and may present a risk to employee safety or to the security of Agency or employee property. Other than for authorized community based fund raising campaigns, employees may not solicit for any purpose during work time or in work areas.

9.13 SAFETY

Every employee is responsible for maintaining a safe work environment and following the Agency's safety rules. Each employee shall promptly report all unsafe or potentially hazardous conditions to his/her department head. The Agency will make every effort to remedy problems as quickly as possible. No retaliation will occur for reporting an unsafe condition.

In case of an accident involving a personal injury, regardless of how serious, employees shall immediately notify their department head or the Executive Director.

9.14 SUBSTANCE ABUSE

The Agency's philosophy on substance abuse has two focuses: (1) a concern for the well being of the employee and (2) a concern for the safety of other employees and members of the public.

The Agency reserves the right to conduct random and baseline drug testing should the need arise in the future.

9.14.1 Availability of Rehabilitation or Treatment

As part of our employee assistance program, we encourage employees who are concerned about their alcohol or drug use to seek counseling, treatment and rehabilitation. Although the decision to seek diagnosis and accept treatment is completely voluntary, the Agency is fully committed to helping employees who voluntarily come forward overcome substance abuse problems. In recognition of the sensitive nature of these matters, all discussions

will be kept confidential. Employees who seek advice or treatment will not be subject to retaliation or discrimination.

9.14.2 When Job Performance Is Affected

Although the Agency is concerned with rehabilitation, it must be understood that disciplinary action may be taken when an employee's job performance is impaired because he/she is under the influence of drugs or alcohol on the job. The Agency may discipline or terminate an employee possessing, consuming, selling or using alcohol, or controlled substances (other than legally prescribed) during work hours. The Agency may also discipline or terminate an employee who reports for duty or works under the influence of alcohol or illegal substances. "Under the influence" means that the employee is impaired to any degree in the performance of his/her work. To the extent allowed by law, an employee may be required to submit to alcohol or illegal substance testing when the Agency has reasonable suspicion that the employee is under the influence of illegal substances or alcohol. Refusal to submit to testing under these circumstances shall be grounds for termination. The confidentiality of test results will be protected.

9.14.3 Drug-Free Workplace

The manufacturing, distribution, dispensation, possession and use of unlawful drugs or alcohol on Agency premises or during work hours by Agency employees is strictly prohibited. Employees also must notify the Agency within five (5) days of any conviction for a drug violation.

9.15 GIFTS & GRATUITIES

Employees may not accept gifts of more than a nominal value (\$50.00) from any vendor, supplier, or other person doing business with the Agency. Receiving such a gift may give the appearance of influence regarding the employee's business decisions, transaction, or service. Advertising and promotional items are not considered gifts.

CHAPTER 10 DISCIPLINE AND TERMINATION

10.1 ACTIONS SUBJECT TO DISCIPLINARY ACTION

Our success in providing excellent service to our citizens and maintaining good relationships with the community depends on our employees. We have therefore outlined for your guidance certain conduct which, if engaged in, would be detrimental to our objective and could lead to disciplinary action including discharge. The Executive Director, or his or her designee, is responsible for evaluating, managing, disciplining, and, if necessary, discharging or terminating all employees. The Executive Director may directly communicate with any Agency employee concerning employment related issues, or coordinate such communication through respective department heads or other supervisors.

The following specified conduct is illustrative and not comprehensive. Nothing in the section alters the at-will status of employment at the Agency or the ability of the Agency, or any employee, to terminate the employment relationship at any time.

- (1) Misrepresentation or withholding of pertinent facts in securing employment.
- (2) Unauthorized use or possession of the Agency facilities/property, unauthorized use of position with the Agency for personal gain or advantage, accepting unlawful gratuities or bribes, or lying.
- (3) Smoking in any unauthorized posted area or creating of fire hazards in any area.
- (4) Failure to report an occurrence causing damage to Agency, customer, or public property; failure to properly secure the Agency facilities or property.
- (5) Unauthorized recording of one's own or another employee's time record (all involved employees can be subject to disciplinary action).
- (6) Habitual lateness for work; absence without proper notification to immediate supervisor, excessive absenteeism, or insufficient reasons for absenteeism; loitering, goofing off, failing to assist others in a work situation.
- (7) Making malicious, false, or derogatory statements that are intended or could reasonably be expected to damage the integrity or reputation of the Agency or our employees, on or off premises; disorderly conduct, including fighting on the premises; rudeness, discrimination, intimidation, coercion, use of obscene language, gesture or lack of courtesy to the public or fellow employees.
- (8) Intentional falsification of records/paperwork required in the transaction of the Agency business.
- (9) Inability, inefficiency, negligence, or insubordination, including a refusal or failure to perform assigned work or concealing defective work.
- (10) Failure to observe safety practices, rules, regulations, and instructions; negligence that results in injury to others; failure to wear required safety clothing and equipment.
- (11) Failure to promptly report to your immediate supervisor an on-the-job injury or accident involving an employee, equipment, property, or visitor.
- (12) Dishonesty or theft, including deliberate destruction, damage, or removal of the Agency's or other's property from the premises, or any job site.

- (13) Possession, use, sale, or being under the influence of alcohol and illegal drugs while on Agency business (including standby duty). The only exception to this rule shall be for an employee using or possessing a controlled substance prescribed by a doctor if such use does not impair safe and/or efficient work performance.
- (14) Conviction of a misdemeanor or felony.
- (15) Unauthorized or personal use of the Agency corporate credit card.

10.2 LAYOFF

The Executive Director, in his or her discretion, may lay off employees for lack of work, budgetary restrictions, reorganization, or other changes that have taken place. In determining who is to be laid off, consideration will usually be given to individual performance and job qualifications, as determined by the Agency. Seniority may be considered when performance and qualifications are equal, as determined by the Agency. Employees who are laid off may be eligible to be re-employed, if a vacancy occurs in a position for which they are qualified, but there is no guarantee of re-employment.

10.3 RESIGNATION

An employee is encouraged to provide at least (2) weeks' notice of resignation. This time limit may be waived or reduced by the Executive Director.

CHAPTER 11 COMPLAINT PROCEDURES

11.1 COMPLAINT PROCEDURES

The Agency recognizes that sometimes situations arise in which employees feel that they have not been treated fairly or in accordance with Agency policies. For this reason any employee who feels he or she has been discriminated against or has been subjected to harassment should promptly take the following steps:

Step 1: Employees should first try to resolve any problem or complaint with their supervisor if circumstances prohibit this response (e.g., the supervisor is involved in the conduct), report the behavior to the Executive Director. If the Executive Director is involved in the conduct, the employee should follow the procedure for making a claim against the Executive Director set forth in Section 11.2. In writing, state specific details of the discriminating behavior. It is helpful if details of dates, times, places, and witnesses, if any, of the discrimination or harassment can be provided.

Step 2: When normal communication between an employee and the supervisor is not successful or practical, or when an employee disagrees with the application of Agency policies and procedures, the employee should attempt to resolve the problem with the Executive Director. When normal communication between an employee and the Executive Director is not successful or practical, or when an employee disagrees with the application of Agency policies and procedures, the employee should follow the procedure for making a claim against the Executive Director set forth in Section 11.2.

Step 3: If the employee is not satisfied with the response from the supervisor, the employee may submit the problem, in writing, to the Executive Director. The written complaint must contain, at a minimum:

- (1) A description of the problem;
- (2) A specific policy or procedure which the employee believes has been violated or misapplied;
- (3) The date of the circumstances leading to the complaint or the date when the employee first became aware of those circumstances;
- (4) The remedy sought by the employee to resolve the complaint.

The written complaint should be filed within ten (10) working days of the occurrence leading to the complaint. This time limit provides an opportunity to resolve the issue immediately.

The Executive Director may meet with the parties, either individually or together, and will respond in writing to the aggrieved employee within a reasonable time of the meeting. The Executive Director response and decision shall be final and binding with respect to employee and the Agency, except as provided for in Section 11.2, below.

Complaint Investigation and Confidentiality

All complaints will be investigated promptly. The identity of the employee making the complaint, as well as the identity of the individual accused of discrimination, will be kept as confidential as possible.

Retaliation

It is contrary to agency policy for a supervisor or any other employee to retaliate against any employee who files a charge of discrimination. Please report any conduct that you feel could be retaliatory immediately.

11.1.1 Additional Procedures

In the event an employee who feels he or she has been discriminated against or has been subjected to harassment by the Executive Director, or an employee seeks to file a written complaint against the Executive Director as allowed under Section 11.1 of this Manual, the employee shall file a written complaint with the Chair of the Board of the Agency, including, at a minimum, the information set forth in Step 3 of Section 11.1, which for purposes of this section, such written complaint shall be referred to as a "Claim." Any Claim against the Executive Director must be filed within ten (10) working days of the occurrence leading to the Claim, or ten (10) working days after the employee becomes aware of the circumstances.

The Chair of the Board, or his/her designee (whose designee may be regular counsel to the Agency, special counsel to the Agency or an independent person retained by the Chair for such purposes), may meet with the Executive Director and employee, either individually or together, and attempt to mediate the Claim. The mediation process shall be completed within fifteen (15) working days of the filing of the Claim.

CHAPTER 12 ELECTRONIC COMMUNICATION

12.1 ELECTRONIC COMMUNICATION MONITORING

The Agency monitors its phone system, network and computers. Information stored in or on company facilities is subject to inspection at any time without notice. Employees have no personal privacy right in anything created, received, or sent on or from the computer and/or internet system; by accessing the system, employees expressly waive any right of privacy in anything they create, store, send, or receive on the system. By accessing the system, employees further consent to allowing personnel of the Agency to access all material created, sent or received on the system.

12.2 ELECTRONIC COMMUNICATIONS AND PUBLIC RECORDS

As the Agency is a public entity, each employee is subject to public records laws.

Each employee is responsible for the content of all text, audio or images that he or she creates, sends, forwards, retrieves, or stores using the Agency's electronic communication systems. Employees should not consider any electronic communication, media or services to be either private or secure. Although email, computer and network accounts may be protected by passwords, Employees should understand that their account and records may not be private. Employees using the Agency's information technology expressly waive any right of privacy in anything they create, store, send, or receive on an Agency computer or through the Agency provided Internet. This includes, but is not limited to, messages or data sent or received on a mobile device. The term mobile device includes cellular telephone, smartphone, tablet, PDA, etc. The use of personally-owned mobile devices to send and/or receive electronic communications for the transaction of Agency business creates a record that may be subject to disclosure pursuant to a public records request. Employees who use personal mobile devices to transact Agency business may be required to provide all communications that relate to Agency business, including text messages, to the Agency upon request. The Agency discourages the transaction of Agency business via text message on personal mobile devices and/or the transaction of Agency business via personal email accounts.

12.3 INTERNET POLICY

Employees may use the internet to increase productivity. Employees are expected to comply with all Agency policies that may be applicable to the internet. These include, but are not limited to, confidentiality, harassment, solicitation, outside employment and business ethics. Under no circumstances are pornographic or harassing materials to be sent, received, viewed, or downloaded using company facilities at any time or using personal facilities during working hours.

Personal use of the internet is not prohibited if it does not interfere with job responsibilities and productivity. Anonymous messages are not to be sent. Aliases are not to be used. Employees are not to place personal copies of software or data on any computer without prior authorization.

If the employee is using an internet site paid for by the Agency, the employee is expected to only use it for business purposes. All work created or received using Agency equipment or facilities are Agency property. Illegal use of software is prohibited.

The Agency does monitor its phone system, network, and computers. Information stored in or on Agency facilities is subject to inspection at any time without notice. Employees have no personal privacy right in anything created, received or sent on or from the computer and/or internet system; by accessing the system, employees expressly waive any right of privacy in anything they create, store, send or receive on the system. By accessing the system, employees further consent to allowing personnel of the Agency to access all material created, sent or received on the system.

Violation of this Agency policy will be addressed as a performance issue.

All items uploaded to our web site are to be scanned for viruses. All items downloaded from web site or any other locations are to be scanned for viruses. Material downloaded from the internet is to be placed on diskettes first; it is never to be placed on a hard drive. At least two anti-virus software programs are to be used to scan for viruses before any material from a diskette is placed on our network system.

12.4 SOCIAL MEDIA POLICY

12.4.1 Introduction

The Agency recognizes that social media can be a highly effective tool for sharing ideas and exchanging information. The Agency is committed to using social media to promote the Agency's mission and strategic plan and to maintain effective communications with employees, customers, business partners and citizens. The Agency has an interest and responsibility in determining what is published on behalf of the Agency via social media. The purpose of social media is to disseminate information from the Agency, to the public to provide a forum for discussion and to gather feedback from residents and visitors on Agency-related issues. This regulation establishes rules for the creation and use of social media by Agency employees as a means of conveying Agency related content to the public. This regulation applies to all Agency employees.

12.4.2 Definitions

- A. Social Media – web and mobile based technologies which are used for interactive communication by organizations, communities and individuals often utilizing, but not limited to, third-party services that connect users to one another. Examples of social media include, but are not limited to, Facebook, Twitter, Google+, LinkedIn, YouTube, MySpace, Second Life, Delicious, Yelp, Flickr, Picasa, blogs, message boards, and chat rooms. Social media may exist in many different forms including, but not limited to, internet forums, online profiles, wikis, podcasts, pictures and video, email, instant messaging, music sharing, and voice over IP.
- B. Posts – content published through social media that may consist of dialogue, pictures, videos, URLs, articles, or other communicative content.
- C. Comments – response, reply, observation or opinion made via a social media to a post or another comment, usually made by outside third parties.
- D. Digital Equipment – includes but is not limited to computers, laptops, telephones, cellular phones, smart phones, and iPods. Any technology provided by the Agency for communication, computing, etc., is covered by this definition.
- E. Electronic Communication – any communication made via digital equipment including but not limited to email, texts, phone calls, voicemail and tweets.
- F. Disparaging Remarks – posts or comments made to ridicule, discredit, or demean another person.

12.4.3 Social Media Account Access

Social media network access shall be limited to those with a clear business purpose to use the forum. Only official Agency spokespersons and authorized individuals shall have permission to create, publish or comment on behalf of the Agency. All users shall obtain authorization, as described within this section, prior to creating and maintaining a page or site associated with the Agency on a social media network. All authorized social media pages or sites associated with the Agency shall belong to and be managed by the Agency.

Only individuals who are authorized by the Executive Director or his/her designee are permitted to access, manage and/or post via Agency social media for the purpose of conducting Agency business.

The Executive Director or his/her designee is responsible for maintaining an up to date list of all social networking application domain names in use, the names of all authorized employee administrators or users of these accounts, as well as the associated user identifications and passwords currently active within their respective departments.

Oversight of Agency sponsored social media shall be performed by supervisors of those authorized to manage the Agency's social media activity. All posts on Agency social media shall be in accordance with this policy. The Executive Director or his/her designee shall monitor the Agency's social media for comments requesting responses from the Agency and for comments in violation of this policy. The Executive Director or his/her designee will also monitor content on Agency social media to ensure adherence to this policy and the interests and goals of the Agency. The Executive Director or his/her designee responsible for the creation and/or maintenance of social media content shall ensure that it is able to edit or remove this content.

Authorized individuals representing the Agency on Agency social media must conduct themselves at all times as a representative of the Agency in accordance with all Agency policies.

When an individual responds to a comment in his/her official capacity as an Agency employee, the individual shall not share personal information about himself or herself, or other Agency employees. If the Agency has multiple individuals posting or commenting on behalf of the Agency, those individuals shall coordinate their responses to ensure that conflicting views and/or information is not being disseminated.

Whenever possible, Agency social media should link back to the official Agency website for forms, documents, online services, and other information necessary to conduct business with the Agency.

Use of posted photographs on social media sites shall abide by all copyright and printed material laws. All Agency social media shall adhere to applicable federal, state, and local laws, regulations and policies.

All content or comments made in any social media shall conform to that site's terms and conditions of use.

12.4.4 Prohibited Content in Agency Social Media

As a public entity the Agency must serve all of its constituents in a civil and unbiased manner. Agency social media posts and comments containing any of the following inappropriate forms of content shall not be allowed and are subject to removal and/or restriction by the Agency:

- A. Comments not topically related to the particular social media post being commented upon, including random or unintelligible comments;
- B. Profane, obscene or violent language and/or content;
- C. Defamatory or personal attacks;
- D. Threats to any person or organization;
- E. Content that promotes, fosters, or perpetuates harassment or discrimination on the basis of race, color, religion, sex, age, national origin, citizenship status, disability, genetic information, veteran status, sexual orientation or gender identity/expression;
- F. Sexual content or links to sexual content;

- G. Any comments for the solicitation of commerce that is not related to the Agency or its business partners, including but not limited to advertising of any business or product for sale;
- H. Comments in support of or opposition to political campaigns, or candidates;
- I. Encouragement of illegal activity;
- J. Conduct in violation of any federal, state, or local laws;
- K. Information that may tend to compromise the safety or security of the public or public systems;
- L. Content that violates a legal ownership interest, such as trademark, patent, or copyright, of any other party; or
- M. Confidential or proprietary information.

12.4.5 Expectation of Privacy

Nothing in this policy bestows an individual right nor may it be construed to provide an expectation of privacy. Users of social media should be mindful that once content is placed online, it is no longer under the user's control. Content posted to the internet is immediate and does not expire. Participation in social media, whether by Agency or non-Agency internet resources and whether made while on or off duty must not violate the privacy rights of other Agency employees or customers or violate any Agency policies.

12.5 SOCIAL MEDIA PERSONAL USE

12.5.1 Introduction

The Agency recognizes that many employees have personal social media accounts and engage in various social media activities. As such, the Agency respects employees' right to express personal opinions when using personal social media and does not retaliate or discriminate against employees who use personal social media for political or other lawful purposes. However, employees are personally responsible for content they post on personal social media.

Social media come in many forms including, but not limited to, internet forums, blogs, online profiles, wikis, podcasts, pictures and video, email, instant messaging, music sharing, voice over IP, and others. Social media also include social websites and online communities for business and personal use, such as Facebook, LinkedIn, Yelp, YouTube, Twitter, message boards, and chat rooms.

The purpose of this policy is to caution employees regarding their use of personal social media as it relates to the Agency. This regulation applies to all Agency employees.

12.5.2 No Expectation of Privacy

The Agency may monitor content, comments, and/or discussions about the Agency on social media made by anyone at any time. Content posted to the internet is immediate and does not expire. Users of social media should be aware that they are not anonymous when they make online comments. Even if a person posts anonymously or under a pseudonym, their identity may still be determined. Utilization of privacy settings for personal use of social media is recommended. However persons who use social media should be mindful that once content is placed online, it is no longer under their control and content shared via private social media does not always stay private.

Employees should have no expectation of privacy while using Agency digital equipment or facilities for any purpose including the use of electronic communications. Regardless of password use and privacy settings, the Agency may

retrieve, review and/or monitor or log internet usage and content found on Agency systems and digital equipment, including deleted messages, posts, or comments without notice to the employee. Therefore, users have no expectation of privacy in the use of the Agency's systems or equipment to download, transmit, post, comment, or store information. Nothing in this regulation bestows an individual right nor may it be construed to provide an expectation of privacy.

12.5.3 Employee Personal Use of Social Media

An employee may access social media while at work within the parameters of the Agency's policies. Users are expected to limit use to personal time, such as breaks, lunch periods and off-duty time. If an employee's use of social media becomes excessive, interferes with or is disruptive to Agency business or productivity, or negatively affects the employee's job duties, the employee may be subject to discipline, up to and including termination.

When posting to personal social media, if an employee speaks about job-related content or makes reference to the Agency, people may perceive the individual to be talking on behalf of the Agency. If the employee is not acting in an official and/or authorized Agency capacity, the employee shall use a disclaimer and make it clear that the views are not necessarily reflective of the views of the Agency. An example of such disclaimer is "The views, opinions, ideas, and information expressed on this site are my own and neither reflects the views of my employer nor is in any way attributable to the Agency."

Participation in social media, whether by Agency or non-Agency internet resources and whether made while on or off duty must not violate the privacy rights of other Agency employees, customers, or business partners, or any Agency policy. When participating in social media employees are expected to know and follow all Agency's policies. They are also expected to be respectful, truthful, accurate, and not engage in retaliatory behavior.

12.5.4 Prohibited Conduct in Personal Social Media

Employees may be disciplined up to and including termination for engaging in any of the following in their personal online social media activity:

- A. Promoting or taking part in activities which violate federal, state, or local law.
- B. Threatening harm, directly or indirectly, to any Agency employee or Agency customer, business partner, vendor, or supplier.
- C. Making false or misleading statements about Agency employees, the Agency, Agency customers, business partners, vendors, or suppliers.
- D. Making disparaging remarks toward or about any Agency employee, the Agency, Agency customers, business partners, vendors, and/or suppliers that are based on race, color, religion, sex, age, national origin, citizenship status, disability, genetic information, veteran status, sexual orientation, gender identity/expression or other characteristic protected by law.
- E. Using social media to bully, harass, or retaliate against Agency employees or Agency customers, business partners, vendors, or suppliers.
- F. Posting content or making comments that purport to express the opinions of the Agency. If a comment or post could reasonably be interpreted to express the opinions of the Agency, then the employee shall state that the comment/post is a personal opinion in the manner previously described in this regulation. Only an individual officially authorized by his/her supervisor may post or comment on behalf of the Agency. The fact that the subject of the social media content is

not specifically named does not constitute a defense or excuse for Agency employees to engage in behavior via their personal social media that violates Agency policies.

Employees are expected to report known violations of this policy to the Executive Director.

12.5.5 Employee Responsibility and Duty To Report

Employees are personally responsible for the content they publish via personal social media. Conduct that violates any aspect of this regulation is subject to investigation and discipline regardless of whether such conduct may have occurred away from work or on non-working time. Employees with questions regarding whether certain activities fall within the parameters of this regulation are encouraged to contact their supervisor.

12.6 MOBILE COMMUNICATIONS POLICY

CCDC will authorize certain employees, on a voluntary basis, to use their personal cellular devices for work purposes when required by their job duties, with payment of an allowance under the terms of this policy. The allowance is considered additional compensation and will be subject to all applicable taxes and withholdings. Allowances are not considered an entitlement and may be changed or withdrawn at any time. CCDC is not liable for purchase, maintenance, damage or loss of the mobile communication device.

Eligibility will be determined by the Executive Director and is based on; communication capability requirement of an employee’s job, employee safety requirements, employee being a critical decision maker, employee monitoring mission critical information during non-business hours and other special circumstances as approved by the director.

Allowances will be approved annually by the Executive Director for a one year term and will be paid monthly. Employees are responsible for signing a Mobile Communication Agreement and for providing a copy of the pages from the monthly statement verifying the charge to the accounting department. Under no circumstance will the allowance be greater than cost of the mobile device service plan.

CCDC is not responsible for the administration and payment of all mobile communications costs, nor is it liable to any party for the contractual obligations of the plan. The employee is required to notify CCDC if the mobile communication device that they are receiving the allowance for is lost, stolen or no longer in operation. **WORK RELATED RECORDS AND COMMUNICATIONS ARE LIKELY SUBJECT TO IDAHO PUBLIC RECORDS REQUESTS. SUCH RECORDS AND COMMUNICATIONS MAY INCLUDE BUT ARE NOT LIMITED TO: CALL LOGS, TEXTS, EMAILS AND OTHER MESSAGES. SHOULD A PUBLIC RECORDS REQUEST BE FILED, YOU WILL BE ASKED TO GIVE YOUR DEVICE TO THE AGENCY, ITS ATTORNEYS OR TECHNOLOGY REPRESENTATIVES TO REVIEW THAT INFORMATION TO DETERMINE WHAT INFORMATION IS SUBJECT TO DISCLOSURE. EMPLOYEES ARE RESPONSIBLE TO ENSURE THAT CELLULAR DEVICES ARE PROPERLY SECURED VIA PASSWORD PROTECTION.**

APPROVED BY: _____

DATE:_____

12.7 RECORD RETENTION

Employees are required to comply with the Agency’s records retention schedule. The schedule is incorporated into the Board’s Public Records Retention policy and was most recently updated by Resolution 1340 on April 14, 2014.

Capital City Development Corporation

RECEIPT OF PERSONNEL POLICIES

All employees should read the following; then sign, date and return the form to the Agency Executive Director. The form will be placed in the employee's personnel file.

Enclosed are the Capital City Development Corporation Personnel Policies. It is your responsibility to read these policies, as they will acquaint you with some of your employee benefits, our personnel practices and rules, and some organizational philosophy. Employee specifically acknowledges receipt and review of the Agency's Sexual Harassment Policy, Section 2.5.

Employment with the Agency is at-will and it is important to understand that these policies do not create an employment contract or a guarantee of employment of any specific duration between the Agency and its employees. Although we hope that your employment relationship with us will be long term, we recognize that at times things do not always work out as hoped, and either of us may decide to terminate the employment relationship, at any time, with or without cause.

As the Agency grows and changes, personnel policies may change. The Agency, therefore, reserves the right to revise, supplement, clarify or rescind any policy or portion of a policy when deemed appropriate by the Executive Director. You will be notified of any such changes.

Please also understand that no supervisor, manager or representative of the Agency other than the Executive Director has the authority to make any written statements or representations which are inconsistent with these policies. Any changes by the Executive Director for particular employees must be in writing or they are ineffective.

If you have any questions about these policies or any other policies of the Agency, please feel free to ask the Executive Director.

I have read and understand the statement above.

Employee Signature

Date: _____

Employee Printed Name

APPENDIX A

Maximum Per Diem Allowance Daily Per Diem Allowance

(a) In State: \$45.00 day

(b) Out-of-State Per Diem Allowance: \$51.00 per day

Partial Day Per Diem Allowance

Where employees are to be absent from their primary official station on official business for less than twenty four (24) hours, partial day per diem allowance is equal to a maximum of twenty-five percent (25%) of the total per diem allowance for breakfast, thirty-five percent (35%) for the total per diem allowance for lunch, and fifty-five percent (55%) of the total per diem allowance for dinner.

Partial Day Per Diem Allowance		
	In-State	Out-of-State
Breakfast – 25%	\$11.25	\$12.75
Lunch – 35%	\$15.75	\$17.85
Dinner – 55%	\$24.75	\$28.05

4813-2064-3367, v. 9-2064-3367, v. 5-2064-3367, v. 4-2064-3367, v. 3

ATTACHMENT 3



PERSONNEL MANUAL

Adopted by the CCDC Board of Commissioners

Effective Date

~~February 13, 2012~~

January 1, 2016

CAPITAL CITY DEVELOPMENT CORPORATION

PERSONNEL MANUAL

ADOPTED BY THE BOARD OF DIRECTORS

EFFECTIVE DATES

November 1999
February 2001
October 2001
October 1, 2003
January 14, 2008
May 27, 2008
February 13, 2012
January 1, 2016

TABLE OF CONTENTS

PERSONNEL MANUAL.....	61
CHAPTER 1 PURPOSE AND SCOPE.....	61
1.1 INTRODUCTION	61
1.2 INTENT OF POLICIES—EMPLOYMENT AT WILL.....	61
1.3 SCOPE OF POLICIES	61
1.4 CHANGING THE POLICIES	61
1.5 DEFINITIONS.....	72
1.5.1 <u>Calendar Month of Service</u>	7
1.5.2 Immediate Family	72
1.5.3 2 Regular Full-Time Employee.....	72
1.5.4 3 Regular Part-Time Employee.....	72
1.5.5 4 Temporary Employee.....	72
<u>1.5.5</u> Exempt Employee.....	2
<u>1.5.6</u> Non-Exempt Employee.....	2
CHAPTER 2 GENERAL POLICIES AND PRACTICES	83
2.1 EQUAL EMPLOYMENT OPPORTUNITY	83
2.2 DISABILITY DISCRIMINATION	83
2.3 <u>LIFE THREATENING/COMMUNICABLE DISEASES</u>	8
2.4 2.3 ANTI-HARASSMENT AND DISCRIMINATION POLICY.....	83
2.5 4 EMPLOYEE PERSONNEL RECORDS.....	104
2.6 5 EMPLOYMENT REFERENCES.....	105
CHAPTER 3 RECRUITING AND HIRING.....	116
3.1 RECRUITING	116
3.2 HIRING	116
3.3 TEMPORARY EMPLOYEES	116

3.3.1	Temporary, At Will Employees	116
3.3.2	Compensation/Benefits	116
3.4	EMPLOYMENT OF RELATIVES (NEPOTISM).....	126
3.4.1	Family Relationship.....	126
3.4.2	Change in Circumstances.....	127
3.5	PROMOTIONS	127
CHAPTER 4 HOURS AND ATTENDANCE.....		138
4.1	WORKING HOURS.....	138
4.2	HOURS OF WORK AND OVERTIME	138
4.3	COMPENSATORY TIME	138
4.4	ATTENDANCE.....	138
4.5	TELECOMMUTING POLICY	149
4.5.1	Purpose	149
4.5.2	Participation.....	149
4.5.3	Equipment.....	149
4.5.4	General Issues	159
4.6	BREAKS AND MEAL PERIODS	1510
4.74.7	BREAK TIME FOR NURSING MOTHERS.....	10
4.8	PAYROLL RECORDS.....	1510
CHAPTER 5 TRAVEL/MEETING EXPENSE POLICY		1611
5.1	GENERAL POLICY	1611
5.2	VEHICLE USE.....	11
5.3	AIRFARE	11
5.4	REIMBURSEMENTS	11
5.5	ADDITIONAL ALLOWABLE INCIDENTAL EXPENSES	1612
5.36	EXPENDITURES NOT REIMBURSABLE.....	1712
5.47	DOCUMENTATION	1713
5.58	CORPORATE CREDIT CARD	1713
CHAPTER 6 PERFORMANCE EVALUATIONS AND TRAINING		1814
6.1	PERFORMANCE EVALUATIONS..... 18 AND COMPENSATION PLAN	14
6.2	TRAINING POLICY.....	1814
CHAPTER 7 BENEFITS.....		1915
7.1	RETIREMENT BENEFITS.....	1915
7.2	DISABILITY BENEFITS (WORKERS' COMPENSATION).....	1915
7.2.1	Coverage and Claims	1915
7.2.2	Coordination of Benefits.....	1915
7.3	HEALTH INSURANCE BENEFITS	1915
7.3.1	Employee Assistance Program.....	1916
7.3.2	Self Insurance Medical Reimbursement Plan.....	20
7.4	CONTINUATION OF INSURANCE COVERAGE.....	2016
7.4.1	Workers' Compensation Benefits	2016
7.4.2	COBRA Rights	20
7.4.3	Termination, Retirement, Leave of Absence	2016

7.5	UNEMPLOYMENT COMPENSATION	20
7.67.5	TUITION REIMBURSEMENT	20
	16	POLICY
7.7	HIPAA COMPLIANCE	21
CHAPTER 8	LEAVES	2218
8.1	DEFINITIONS	2218
8.1.1	Dependent Children	2218
8.1.2	Immediate Family	2218
8.1.3	Serious Health Condition	2218
8.2	VACATION LEAVE	2218
8.2.1	Accruals	2218
8.2.2	Accelerated Vacation Accruals for Exempt Level Employees	2318
8.2.3	Limits on Accruals	2319
8.2.4	Using Vacation Leave	2319
8.2.5	Payment for Vacation Accruals at Termination	2319
8.3	SICK LEAVE	2319
8.3.1	Accruals	2319
8.3.2	Limits on Sick Leave Accruals	2419
8.3.3	Using Paid Sick Leave	2420
8.4	LEAVE WITHOUT PAY	2520
8.5	JURY AND WITNESS LEAVE	2520
8.5.1	Jury Duty	2520
8.5.2	Witness Duty	2521
8.6	ADMINISTRATIVE LEAVE	2521
8.7	MILITARY LEAVE	2521
8.8	BEREAVEMENT LEAVE	2521
8.9	HOLIDAYS	2621
8.10	RELIGIOUS HOLIDAYS	2622
8.11	ON-THE-JOB INJURIES AND TIME LOSS CLAIMS	2622
8.12	FAMILY AND MEDICAL LEAVE	2722
8.12.1	Reasons for Family or Medical Leave	2722
a.	Employee's Serious Health Condition	2722
b.	To Care for a New Child	2722
c.	To Care for a Spouse, Parent or Child With a Serious Health Condition	2722
8.12.2	Requests for Family or Medical Leave	2723
8.12.3	Use of Paid Leave for Family or Medical Leave	2723
8.12.4	Length of Leave	2823
8.12.5	Benefits	2823
8.12.6	Return to Work	2823
8.13	ADDITIONAL LEAVES	28
	24	PAID PARENTAL LEAVE POLICY
	8.13.1	Bereavement Leave
	8.13.2	Other Leaves
8.14	LEAVE AND BENEFITS FOR PART-TIME AND TEMPORARY EMPLOYEES	2824
8.14.1	Regular Part-Time Employees	2924
8.14.2	Temporary Employees	2924
CHAPTER 9	EMPLOYEE RESPONSIBILITIES AND CONDUCT	3025

9.1	GENERAL CODE OF CONDUCT.....	3025
9.2	OUTSIDE EMPLOYMENT AND CONFLICTS OF INTEREST.....	3025
9.3	REPORTING IMPROPER GOVERNMENTAL ACTION.....	3126
9.4	POLITICAL ACTIVITIES.....	3126
9.5	NO SMOKING POLICY.....	3126
9.6	PERSONAL POSSESSIONS AND ELECTRONIC COMMUNICATIONS.....	3126
9.7	USE OF AGENCY VEHICLES AND EQUIPMENT.....	3126
9.8	BULLETIN BOARDS.....	3226
9.9	CONTACT WITH THE NEWS MEDIA.....	3227
9.10	SEAT BELT, <u>CELLULAR PHONE AND TEXTING</u> POLICY.....	3227
9.11	DRIVER'S LICENSE REQUIREMENTS.....	3227
9.12	SOLICITATIONS.....	3227
9.13	SAFETY.....	3227
9.14	SUBSTANCE ABUSE.....	3227
	9.14.1 Availability of Rehabilitation or Treatment.....	3327
	9.14.2 When Job Performance Is Affected.....	3328
	9.14.3 Drug-Free Workplace.....	3328
9.15	<u>GIFTS & GRATUITIES</u>	28
CHAPTER 10 DISCIPLINE AND TERMINATION.....		3429
10.1	ACTIONS SUBJECT TO DISCIPLINARY ACTION.....	3429
10.2	LAYOFF.....	3530
10.3	RESIGNATION.....	3530
CHAPTER 11 COMPLAINT PROCEDURES.....		3631
11.1	COMPLAINT PROCEDURES.....	31
	11.1.1 Additional Procedures.....	32
<u>CHAPTER 12 ELECTRONIC COMMUNICATIONS.....</u>		33
12.1	<u>ELECTRONIC COMMUNICATION MONITORING.....</u>	33
12.2	<u>ELECTRONIC COMMUNICATIONS AND PUBLIC RECORDS.....</u>	33
12.3	<u>INTERNET POLICY.....</u>	33
12.4	<u>SOCIAL MEDIA POLICY.....</u>	34
	12.4.1 Introduction.....	34
	12.4.2 Definitions.....	34
	12.4.3 Social Media Account Access.....	34
	12.4.4 Prohibited Content in Agency Social Media.....	35
	12.4.5 Expectation of Privacy.....	36
12.5	<u>SOCIAL MEDIA PERSONAL USE.....</u>	36
	11.2APPEAL PROCESS12.5.1..... Introduction	36
	12.5.2 No Expectation of Privacy.....	36
	12.5.3 Employee Personal Use of Social Media.....	37
	12.5.4 Prohibited Conduct in Personal Social Media.....	37
	12.5.5 Employee Responsibility and Duty to Report.....	38
12.6	<u>MOBILE COMMUNICATIONS POLICY.....</u>	38
12.7	<u>RECORD RETENTION.....</u>	38

RECEIPT OF PERSONNEL POLICIES[3839](#)

CAPITAL CITY DEVELOPMENT CORPORATION

Personnel Manual

CHAPTER 1 PURPOSE AND SCOPE

1.1 INTRODUCTION

These personnel policies serve as a general guide to the [Agency's Capital City Development Corporation's \("Agency"\)](#) current employment practices and procedures. As such, we hope they will help you better understand how the Agency operates and what is expected of you as an employee. The Agency places the highest value on our employees and their well-being. We want to see that you are a satisfied and productive worker, with the support necessary to achieve the objectives of your position.

It is our belief that when consistent personnel policies are known and communicated to all, the chances for greater job satisfaction increase. These personnel policies serve as a general guide to the Agency's current employment practices and procedures. If you have any questions, please ask your supervisor. As you have ideas or suggestions for improvement, please do the same.

1.2 INTENT OF POLICIES—EMPLOYMENT AT WILL

These policies are not intended to be a contract, express or implied, or any type of promise or guarantee of specific treatment upon which you may rely, or as a guarantee of employment for any specific duration. Your employment with us is **at will**, and either of us may decide to terminate the employment relationship at any time and for any reason.

Please understand that no supervisor, manager or representative of the Agency other than a written statement by the Executive Director has the authority to enter into any agreement with you for employment for any specified period or to make any written or verbal commitments contrary to the foregoing.

1.3 SCOPE OF POLICIES

These personnel policies apply to all Agency employees and do not apply to the appointed Board of Commissioners. In cases where these policies conflict with any Agency [Resolution](#)~~resolution~~, the provisions of a specific written employment agreement, state or federal law, the terms of that law, resolution or agreement prevail. In all other cases, these policies apply.

1.4 CHANGING THE POLICIES

The Capital City Development Corporation Personnel Manual, November 1999, was initially adopted by the Agency Board pursuant to Resolution No. 806, approved at the Board's special meeting of November 3, 1999. The provisions of Resolution No.806 vest certain authority in the Executive Director to make minor modifications of these policies, as the need arises. Any such modification shall be in writing and distributed to all employees. The Executive Director may deviate from these policies in individual situations, particularly in an emergency, in order to achieve the primary purpose of serving the Agency's mission. Any substantive change to this Personnel Manual requires Board action, by approval of a resolution adopting any change or amendment to the Personnel Manual. Revisions to the Personnel Policy were approved in February 2001, October 2001, October 1, 2003, January 14, 2008, May 27, 2008 ~~and~~, February 13, 2012, ~~and November 9~~ [December 14, 2015](#).

This Personnel Manual dated [February 13, 2012](#) [January 1, 2016](#) supersedes any prior manuals used by the Agency.

1.5 DEFINITIONS

~~1.5.1~~ 1.5.1 Calendar Month of Service

~~The minimum number of hours in a calendar month (e.g. January, February, etc.) for which a regular employee must receive compensation (time worked, compensated leave, sick leave) in order to earn and accrue sick leave and/or vacation credit for that month. A full time regular employee must have at least 90 hours compensated time in a calendar month to earn service credit; a part time regular employee must have compensated time equal to at least seventy five (75) percent of his/her regular work schedule in a calendar month to earn service credit.~~

~~1.5.2~~ 1.5.1 Immediate Family

An employee's spouse, child (natural, adopted, step), parents (natural, step, adopted), brother or sister, mother/father-in-law, daughter/son-in-law, grandparents, grandchildren **or** other relative who lives in the employee's home.

1.5.32 Regular Full-Time Employee

~~An~~An exempt or non-exempt employee who has worked at least 30 days and who regularly works a minimum of forty (40) hours a week.

1.5.43 Regular Part-Time Employee

~~An~~An exempt or non-exempt employee who has worked at least 30 days and who regularly works less than forty (40) but at least twenty (20) hours a week.

1.5.54 Temporary Employee

~~Department directors may use temporary employees.~~ Temporary employees may be hired in an intern capacity, may be hired to replace temporarily regular employees who are on vacation or other leave, may be hired to meet peak workload or special needs, or may be hired to fill a vacancy temporarily until a regular employee is hired. A temporary employee is one hired for a specified purpose for a limited duration, generally not more than one year, as approved by the Executive Director. Like all employees, temporary employees' employment is **at will** and the temporary employee can be dismissed at any time and for any reason.

1.5.5 Exempt Employee

Exempt employees are not subject to overtime pay. An employee's classification as exempt or non-exempt is determined by the Executive Director or his/her designee.

1.5.6 Non-Exempt Employee

Non-exempt employees are entitled to overtime pay as provided for in sections 4.2 and 4.3. An employee's classification as exempt or non-exempt is determined by the Executive Director or his/her designee.

CHAPTER 2 GENERAL POLICIES AND PRACTICES

2.1 EQUAL EMPLOYMENT OPPORTUNITY

The Agency is ~~an Equal Employment Opportunity Employer. The Agency employs, retains, promotes, terminates and otherwise treats all employees and job applicants on the basis of job related qualifications and competence. These policies and all committed to providing equal employment practices shall be applied~~ opportunity for all persons without regard to ~~any individual's sex, race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran, current, or future military status, or any other applicable legally protected status.~~

Equal opportunity extends to all aspects of the employment relationship, including hiring, promoting, retaining, training, disciplining, terminating, working conditions, compensation, benefits, and other terms and conditions of employment.

Additionally, the Agency is committed to providing an employment environment that is free from discrimination and harassment. All individuals employed by the Agency are expected to conduct themselves at all times so as to provide a working atmosphere free from discrimination and harassment.

Employees who believe they have been subjected to discrimination or harassment related to their race, color, religion, gender, national origin, age, sexual orientation, gender identity, disability, veteran status, or any other applicable legally protected status should report the behavior in accordance with the equal employment opportunity regulations.

The Agency will not discriminate against any applicant or employee in hiring or in the terms, conditions, and privileges of employment based upon pregnancy, childbirth, or related medical conditions.

2.2 DISABILITY DISCRIMINATION

The Agency does not discriminate against any applicant or employee in hiring or in the terms, conditions, and privileges of employment due to ~~a physical or mental impairment, disabilities.~~ When the Agency is made aware of any disability which prevents an otherwise qualified applicant or employee from performing a job, the Agency will work with the employee to determine if the employee is disabled and if so, will assess whether any reasonable accommodation would allow the person to perform the job before refusing employment or making a distinction in terms, conditions, or privileges of employment because of the disability. An accommodation which creates an undue hardship on the Agency or which endangers health or safety is not a reasonable accommodation. The Agency will make any reasonable accommodation necessary to allow an otherwise qualified applicant or employee to perform the job.

An otherwise qualified applicant for employment or an employee with a disability who requests reasonable accommodation must inform his or her immediate supervisor or management of the nature of the disability and the accommodation required. The Agency will then follow the procedures set forth ~~in~~ above. Employees with access to such information shall maintain the confidentiality of the information to the extent reasonably possible and shall not release the information to anyone who does not have the right or need to know.

~~2.3 LIFE THREATENING/COMMUNICABLE DISEASES~~

~~2.3~~

~~Employees with life threatening illnesses or communicable diseases are treated the same as all other employees. They are permitted to continue working as long as they are able to perform the essential functions of their job and medical evidence shows they, like any other employee, are not a threat in the workplace. The Agency will work to~~

~~preserve the safety of all of its employees and reserves the right to reassign employees or take other job actions, including discharge, when a substantial and unusual safety risk to fellow Agency employees or the public exists.~~

2.4 ANTI-HARASSMENT AND DISCRIMINATION POLICY

SEXUAL HARASSMENT AND DISCRIMINATION IS UNLAWFUL AND ABSOLUTELY FORBIDDEN BY THE AGENCY.

It is the Agency's policy to foster and maintain a work environment that is free from discrimination and intimidation. Toward this end, the Agency will not tolerate discrimination or harassment of any kind, ~~including sexual harassment, that is~~ made by employees toward co-workers or members of the public. Employees are expected to show respect for each other and the public at all times, despite individual differences.

Sexual harassment is behavior of a sexual nature, which is unwelcome. Harassment may include verbal or physical conduct that demeans or shows hostility or aversion toward another employee or members of the public.

~~Each member of management is~~The Executive Director and other employee supervisors are responsible for creating an atmosphere free of discrimination and harassment. Further, employees are responsible for respecting the rights of their co-workers and others, including the citizens they serve. The following procedure outlines the steps to follow if you believe you have experienced harassment or discrimination on the job.

If you are subject to a violation of this policy from anyone, including supervisors, fellow employees or managers, immediately bring the problem to the attention of a supervisor or the Executive Director in writing. If the complaint involves the Executive Director, you should report the violation to the Chair of the Board of Directors in writing. The complaint will be promptly investigated. To the extent possible, complaints will be handled confidentially. If an investigation shows the accused employee did engage in improper harassment or discrimination, appropriate corrective action will be taken, as in the case of any other serious employee misconduct, up to and including discharge. No employee shall be retaliated against or otherwise subject to adverse treatment for making a complaint of harassment in good faith.

~~Our~~The Agency prohibits harassment. Harassment is defined as conduct that substantially interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment. This would include, but not be limited to harassing, threatening or offensive conducted directed toward a person's ~~sex,~~ race, ~~age,~~ ~~disability~~color, religion, ~~gender,~~ national origin, ~~age,~~ ~~sexual orientation,~~ ~~gender identity,~~ ~~disability,~~ veteran status, or ~~current or future military~~any other applicable legally protected status.

The Agency will actively enforce ~~our policy~~its policy against harassment. The policy applies to all conduct by any supervisor, manager, coworker, ~~or~~ subordinate, ~~vendor,~~ ~~client,~~ ~~or~~ customer that affects an employee's work environment. The Agency considers a violation of this policy a serious offense ~~that will require~~disciplinary action, up to and including discharge.

In the event a complaint of harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the employee who brought the complaint, up to and including discharge. While this is in no way intended to discourage any employee who believes he/she has been the victim of harassment from bringing a complaint, the Agency recognizes that a charge of harassment can cause serious damage to the reputation and personal character of the accused.

I have read and understand the Anti-Harassment and Discrimination Policy.

Employee signature _____ Date _____

|

|

|

2.54 EMPLOYEE PERSONNEL RECORDS

A personnel file for each employee is kept ~~in~~by the ~~Agency's Administrative Office~~appropriate Agency staff member. An employee's personnel file may contain the employee's name, title and/or position held, job description, ~~department to which the employee is assigned,~~ salary, changes in employment status, training received, performance evaluations, personnel actions affecting the employee, including discipline, and other pertinent information. Medical information about employees is contained in a separate confidential file.

Employees have the right to review their files during normal business hours, within three (3) business days after a request to do so is received by the Executive Director. An employee may request removal of irrelevant or erroneous information in his/her personnel file. If the Agency denies an employee's request to remove the information, the employee may file a written rebuttal statement to be placed in his/her file.

Personnel files are kept confidential to the maximum extent permitted by law.

2.65 EMPLOYMENT REFERENCES

~~Only the~~The Executive Director, his/her designee, or a supervisor will provide employment references on current or former Agency employees. All employees shall refer requests for references to the Executive Director, ~~or his/her supervisor~~. References ~~will~~may be limited to verification of dates of employment, positions held, and salary.

CHAPTER 3 RECRUITING AND HIRING

3.1 RECRUITING

Recruiting practices are based solely on the basis of ability, merit, qualifications and competence, without regard to race, color, religion, gender, national origin, sex, ~~pregnancy~~, age, sexual orientation, gender identity, disability, veteran status, or any other applicable legally protected status.

Any applicant supplying false or misleading information may be subject to immediate termination, if hired.

3.2 HIRING

When a position becomes vacant and prior to any recruitment activity, the Executive Director shall review the position, its job description and the need for such a position. The recruitment and selection process shall be conducted under the direction of the Executive Director.

~~The Agency may administer pre-employment examinations to test the qualifications and ability of applicants, and may include testing for illegal drugs, where the responsibilities of a given position include duties of a significant safety sensitive nature, such as extensive driving or tasks performed at a construction site. The Agency may also~~ conduct certain background procedures as allowed or required by law. An example of such procedure is requiring applicants/employees to show proof they are authorized to work in the United States.

~~After an offer of employment has been made and prior to commencement of employment, the Agency may require persons selected for employment to successfully pass a medical examination, which may include testing for illegal drugs where the responsibilities of a given position include duties of a significant safety sensitive nature, such as extensive driving or tasks performed at a construction site. The offer of employment may be conditioned on the results of the examination.~~

~~A candidate may be disqualified from consideration if: (1) found unable to perform the duties of the position (and the individual's condition cannot reasonably be accommodated in the workplace without undue hardship); (2) the candidate refuses to submit to a drug test or the drug test is positive; (3) after an offer of employment has been made, the candidate refuses to submit to a medical examination or complete medical history forms; or (3) if any exam reveals use of illegal drugs.~~

3.3 TEMPORARY EMPLOYEES

3.3.1 Temporary, At Will Employees

Temporary employees are **at will** employees. The Executive Director may ~~use~~hire temporary employees to temporarily replace regular employees who are on vacation or other leave, to meet peak work load or special needs, or to temporarily fill a vacancy until a regular employee is hired.

3.3.2 Compensation/Benefits

Temporary non-exempt employees are eligible for overtime pay as required by law as provided for in sections 4.2 and 4.3. Temporary employees do not receive retirement, vacation, sick leave, health insurance, holidays or any other benefits during their employment unless required by law, or approved in writing by the Executive Director for persons whose employment is expected to exceed ~~30~~four (4) consecutive ~~days~~months.

Temporary employees pay contributions to the Social Security System.

3.4 EMPLOYMENT OF RELATIVES (NEPOTISM)

3.4.1 Family Relationship

The immediate family of current [CCDCAgency](#) employees or persons sharing living quarters will not be employed by the Agency where:

- (1) One of the parties would have authority (or practical power) to supervise, appoint, remove, or discipline the other;
- (2) One party would handle confidential material that creates improper or inappropriate access to that material by the other;
- (3) One party would be responsible for auditing the work of the other; or
- (4) Other circumstances exist that might lead to potential conflict among the parties or conflict between the interest of one or both parties and the best interests of the Agency.

Members of the immediate family of [CCDCAgency](#) Board members will not be eligible for Agency employment.

3.4.2 Change in Circumstances

If two employees marry, become related or begin sharing living quarters with one another, and in the Agency's judgment, the potential problems noted above exist or reasonably could exist, only one of the employees will be permitted to stay with the Agency, unless accommodations, as determined in the discretion of the Executive Director, can be made to eliminate the potential problem. The decision as to which employee will remain with the Agency must be made by the two employees within thirty (30) calendar days of the date they marry, become related, or begin sharing living quarters with each other. If no decision is made during this time, the Agency reserves the right to terminate either or both employees.

3.5 PROMOTIONS

The Agency encourages promotion from within the organization whenever possible, but reserves the right to seek qualified applicants outside of the organization at its discretion.

CHAPTER 4 HOURS AND ATTENDANCE

4.1 WORKING HOURS

The Agency's standard workweek is Monday through Friday from 8:00 a.m. to 5:00 p.m. with an unpaid lunch period. Due to the nature of the Agency's operations, longer hours may be necessary in some instances.

A normal working schedule for a regular, non-exempt, full-time ~~employees~~employee consists of forty (40) hours each workweek.

Part-time and temporary employees will work hours as specified by the Executive Director.

4.2 HOURS OF WORK AND OVERTIME

All Agency positions are designated as either "exempt" or "non-exempt" according to the Fair Labor Standards Act ("FLSA") and Idaho Minimum Wage Act regulations. You will be informed of your status by the Agency.

For ~~most~~regular full-time Agency employees, the established work period is forty (40) hours within a seven (7) day workweek. All ~~personnel~~employees are responsible for accurately reporting all hours worked on forms supplied by the Agency.

Non-exempt employees are entitled to additional compensation, either in cash or compensatory time off, when they work more than ~~the maximum numbers of forty (40) hours during~~within a ~~work period~~seven (7) day workweek. All overtime must be authorized in advance by the Executive Director ~~or his/her designee~~. Overtime pay is calculated at one and one-half (1.5) times the employee's regular rate of pay for all time worked beyond ~~the established work period~~forty (40) hours within a seven (7) day workweek. When computing overtime, time paid for but not worked (e.g., holidays, sick leave and vacation time), is not counted as hours worked.

Exempt employees are exempt from the ~~Fair Labor Standards Act (FLSA) or~~FLSA and Idaho Minimum Wage Act overtime provisions and do not receive either overtime pay or compensatory time in lieu of overtime pay. An exempt employee is paid to perform a job, which may not necessarily be completed in a normal week. ~~In recognition of the extra time demands of certain exempt positions, informal paid leave may be taken, as mutually agreed upon between the employee and the Executive Director.~~

4.3 COMPENSATORY TIME

Non-exempt employees entitled to overtime pay may request compensatory time off instead of cash payment. ~~This~~All compensatory time is approved on a case-by-case basis by the Executive Director or his/her designee and must be pre-arranged. The Agency is not required to grant compensatory time instead of overtime pay. If the compensatory time option is exercised, the employee is credited with one and one-half (1.5) times the hours worked as overtime. Maximum accruals of compensatory time shall be limited to 16 hours for regular non-exempt employees. After maximum accrual, overtime compensation shall be paid.

Non-exempt employees will be allowed compensatory time off within a reasonable time period after making a request to ~~their department head~~the Executive Director or his/her designee, unless doing so would unduly disrupt Agency operations. Compensatory time off should be used for short-term absences from work.

4.4 ATTENDANCE

Punctual and consistent attendance is a condition of employment. The Executive Director, his/her designee, or the immediate supervisor is responsible for the attendance record of the staff.

Non-exempt employees unable to work or unable to report to work on time should notify their supervisor as soon as possible, ordinarily before the work day begins or within thirty (30) minutes of the employee's usual starting time. If an absence continues beyond three (3) days, the employee is responsible for reporting in each day. If the ~~Executive Director~~ supervisor is unavailable, the employee may leave a message with the designated representative, stating the reason for being late or unable to report for work.

An employee who is absent without authorization or notification is subject to disciplinary action, up to and including possible termination/discharge.

This policy is not applicable to employees on designated state or federal military leave, family medical leave, or jury duty. Additionally, nothing in this policy should be construed to change the Agency's at-will relationship with all employees.

4.5 TELECOMMUTING POLICY

4.5.1 Purpose

This purpose of this telecommuting policy is to establish general guidelines for telecommuting. Some goals of the policy are:

1. Enhance performance and increase productivity.
2. Mitigate any potential or perceived safety issues if long hours must be worked.
3. Provide for flexibility:
 - a. Telecommute occasionally to complete a special project.
 - b. Telecommute only a portion of the day.
 - c. Telecommute on a scheduled, part-time basis.

4.5.2 Participation

Telecommuting is voluntary, but it is not a right. ~~The telecommuting program should apply to exempt employees and is subject to approval by the Executive Director.~~ Generally, non-exempt employees are providing support services for exempt staff and public contact services. Absence from the office would hinder productivity rather than enhance it. Most often non-exempt staff are not assigned special projects that can be completed outside work hours nor required to work long or late hours.

4.5.3 Equipment

Telecommuting equipment must be provided by the employee. The Agency will supply the support services and communication software necessary to access the work desktop. Any operating system or hardware upgrades or purchases or any modem or phone line installation and maintenance necessary to participate in the telecommuting program must be provided by the employee. Additionally, workspace needs are the responsibility of the employees. The Agency assumes no responsibility for personal equipment or associated costs.

Employee must provide for adequate protection to prevent unauthorized access to Agency desktop computers or other Agency equipment. This may include, but is not limited to a secure in-house location with no unauthorized access to the home computer and password authorization.

4.5.4 General Issues

Telecommuting is not a right. This program must be utilized to benefit the Agency. Budgetary demands are a factor and the Executive Director determines the benefit to the Agency. Exempt employees working additional hours through the telecommuting program need not secure Executive Director permission. Exempt employees utilizing the telecommuting program in lieu of working in the office during the ~~hours determined in the Personnel Policy Manual~~ standard working hours must establish a schedule through the Executive Director. The Executive Director may determine non-exempt staff need access to the telecommuting program.

Employees are covered by Workers Compensation during their telecommuting work hours.

4.6 BREAKS AND MEAL PERIODS

Non-exempt employees are provided one (1) fifteen-minute break for every four hours worked. All breaks shall be arranged so ~~that~~ they do not interfere with Agency business or service to the public. ~~RestBreak~~ RestBreak periods will be scheduled as near as possible to the mid-point of each four-hour work period. ~~RestBreak~~ RestBreak periods MAY NOT be accumulated or taken at the beginning or end of any work period (i.e., morning or afternoon shift).

Lunch periods are unpaid. Meal periods for non-exempt employees shall be scheduled by the ~~Executive Director~~ employee's supervisor. Meal periods must be taken not less than two (2) hours or more than five (5) hours from the beginning of the shift. Lunch break scheduling and duration will be established by the employee's supervisor provided that lunch breaks for ~~nonexempt~~ non-exempt employees shall be no less than 30 minutes. The scheduling of meal periods may vary depending on ~~department~~ workload. Unused lunch periods (e.g., only 30 of an allotted 60 minutes lunch period is used) may not be carried forward or accrued or used at other times of the day without the specific pre-approval of employee's supervisor.

4.7.7 BREAK TIME FOR NURSING MOTHERS

The Agency will provide reasonable break time for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk. The frequency of breaks needed to express milk as well as the duration of each break will likely vary. The Agency shall provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk. A bathroom, even if private, is not a permissible location under the Patient Protection and Affordable Care Act. The location provided must be functional as a space for expressing breast milk. If the space is not dedicated to the nursing mother's use, it must be available when needed in order to meet the statutory requirement. A space temporarily created or converted into a space for expressing milk or made available when needed by the nursing mother is sufficient provided that the space is shielded from view, and free from any intrusion from co-workers and the public. Breaks taken for the purpose of expressing milk are unpaid.

4.8 PAYROLL RECORDS

The official payroll records are kept by the Finance ~~Officer~~ Department. Each employee shall turn in a signed work record bi-weekly for ~~that workweek~~ each pay period, as specified by the Finance Officer.

CHAPTER 5

TRAVEL/MEETING EXPENSE POLICY

5.1 GENERAL POLICY

Any person authorized to perform official business on behalf of ~~Capital City Development Corporation~~the Agency may incur travel/meeting expenses. It is expected that good judgment, prudence and discretion will be exercised while conducting Agency business. The itinerary of an employee shall be planned to eliminate unnecessary travel in the performance of work assignments. Should travel companions accompany any person authorized to perform official business on behalf of the Agency, it is expected that they will pay for their costs without causing any charges to accrue to ~~Capital City Development Corporation~~the Agency. Transitioning between home and work is not considered travel for the purpose of this policy.

5.2 VEHICLE USE

The cost of transportation by private vehicles is reimbursed at the rate established by the State Board of Examiners, computed according to a commonly used online mapping utility which supports the distance as the most direct and/or efficient route.

If private conveyance is used, liability insurance in the amount required by Idaho Code § 49-117(16) shall be provided. Employees shall have current vehicle insurance and a valid driver's license when using a private vehicle for Agency business. The employee's insurance is considered by State statute to be primary before the Agency's insurance. If an employee is involved in an accident and does not have a valid driver's license and insurance the Agency will disclaim any liability and the employee will be personally liable.

5.3 AIRFARE

The If airfare is used that is not the lowest available including Saturday night stay over, then the cost of hotel, meals and all expenses for staying the additional days should be greater than or equal to the difference in cost as compared to Saturday night stay over rate, cost for commercial airfare shall be limited to the lowest available class of passage rate, such as "coach" or similar classification. Airfare at other classes and seat selection or other upgrade fees are not allowed unless properly documented that the seat selection, upgrade fees, or class of passage at a higher rate was necessary due to availability, physical limitations or other factors, and that the ticket was purchased at the earliest opportunity. Baggage fees charged by commercial airlines are allowable not to exceed one checked bag and one carry-on bag per departure unless additional baggage costs are necessary and approved in advance. Any additional costs, such as in-flight services, internet access or entertainment, are not allowable and are the responsibility of the traveler, unless a valid business purpose is identified and approved in advance by the designated authority. Costs incurred should always be the most economical under the circumstances. Whenever possible, courtesy services offered by hotels or hosting agencies should be used. Costs incurred before or after a scheduled meeting which are not necessary to perform official business are not expenses of the Agency.

5.4 REIMBURSEMENTS

A completed travel expense report shall be submitted to the Executive Director or the appropriate supervisor for actual costs signature within five (5) week days of return from the trip. This form is required for every trip even if the only Agency expense is the per diem meal allowance. Extra expense such as bridge tolls, garage and parking fees and like expenses shall be allowable in addition to the mileage reimbursement. The mode and route of travel shall be those allowable travel expenses actually incurred. Allowable costs shall be by the traveler by use of the most economical mode, from the standpoint of time, cost, and practicality. Cost should include overtime and compensatory time amounts that may accrue under the Fair Labor Standards Act for non-exempt employees. If public transportation, ~~meals,~~ is used, costs by common carrier including bus, train, rental car, and airlines are

allowable. Receipts for non per diem expenses shall be submitted upon return. Reimbursable airline travel shall be limited to coach or other normally lowest cost passage.

Traveling employees who rent automobiles for Agency business purposes shall purchase liability, comprehensive, and collision coverage through the rental agency, unless the automobile rental amount is paid by means of a personal credit card that provides such rental car insurance coverage. In the event that the employee fails to buy insurance through the rental car company, the employee shall be personally responsible for damages and other liability incurred through rental and use of the automobile. Subsistence allowance shall cover actual necessary expenditures for lodging and miscellaneous expenses, provided that receipts are presented. Food including tips and incidentals are paid on a per diem basis.

Lodging will be reimbursed at actual cost should not to exceed the single rate for one(1) person plus tax or the actual cost if the room is shared. An original receipt shall be submitted for settlement of the travel expense. A government room rate should be secured whenever possible. Meals shall be reimbursed on an actual basis and should be reasonable for the location and purpose of the trip. The tip should not exceed fifteen percent (15%). Duplicate allowance shall not be made for meal costs included in registration fees.

Payment shall not be made for any expenses incurred while staying with family or friends. However, a non-alcoholic thank you gift in lieu of lodging/travel expense not to exceed \$25.00 may be incurred.

Items Meals and incidental expenses - The Agency uses a per diem method for meals of employees while on overnight out of town travel. The per diem amounts are consistent with those set forth in the State Travel Policy and Procedures (<https://www.sco.idaho.gov/web/sbe/sbweb.nsf/pages/trvlpolicy.htm>), set forth in Appendix A hereto which also require that if an employee receives a meal at nominal or no cost, the per diem shall be adjusted by deducting the appropriate amount. A continental breakfast such as muffins, bagels, fruit, and coffee that is provided free of charge will not reduce the employee's meal allowance.

For partial days away from home, the per diem amount should be adjusted using the meal breakdown chart and the employee's travel schedule. At no time may the adjusted amount be more than the per diem for the day. Please refer to the per diem rate and meal breakdown charts on the State Travel Policy and Procedures (<https://www.sco.idaho.gov/web/sbe/sbweb.nsf/pages/trvlpolicy.htm>).

Reimbursement will be made for miscellaneous expenses such as taxis, shuttles, etc. Reimbursement for telephone calls pertaining to official Agency business will be paid. An item not specifically described or requests to exceed the above regulations as an allowable expense, but which are nevertheless necessary in the performance of official travel duties for the Agency, may be payable/reimbursable upon submission of a receipt and, a thorough explanation. The and approval by the Executive Director must approve all expenses.

5.5 ADDITIONAL ALLOWABLE INCIDENTAL EXPENSES

- ~~☒~~ Educational materials required for specific authorized schools. Conference material which may be useful to work. These supplies are and will remain the property of the Agency.

~~☒~~ Miscellaneous travel costs such as bus, taxi, bridge or other tolls, parking, ferry, and the like are authorized by a listing of same as provided by the reimbursement form.

- ~~☒~~ Registration fees required in connection with attendance at conventions, conferences, schools, and official meetings. All requests for registration at such functions must be accompanied by a complete published agenda of the event.

~~☞ Business telephone and postage expenses are an allowable expense. Phone calls to the employee's office are also an allowable expense. A brief personal telephone call, which is made to advise the employee's family of change in travel plans is also allowable.~~

5.36 EXPENDITURES NOT REIMBURSABLE

Certain travel/meeting expenses are considered personal and not essential to the transaction of official Agency business:

~~☞ Liquor.~~

- ~~☞ Alcoholic beverages.~~

- Personal entertainment and transportation.
- ~~☞ Theft, loss or damage to personal property.~~
- ~~☞ Expenses of spouse, family or other persons not authorized to receive reimbursement under this policy.~~

~~☞ Barber or beauty parlor.~~

- ~~☞ Airline and other trip insurance.~~
- ~~☞ Medical or hospital expenses.~~
- ~~☞ Personal toilet articles, postage, reading material, telephone calls.~~

5.47 DOCUMENTATION

An expense report shall be completed within one week of incurring expenses. No expense report for reimbursement shall be paid unless bona fide vendor receipts accompany it. Such receipts should show the date, a description of the purchase, vendor identification and amount paid. Receipts are required for all expenses over \$5.00. If it is necessary in the course of Agency business to pay for persons not considered Agency employees, the bona fide vendor receipt should include comments detailing the names of additional persons and the purpose for incurring the additional cost.

Should any person use a corporate credit card to charge travel/meeting expense and not provide proper documentation, that person shall pay the incurred expense.

5.58 CORPORATE CREDIT CARD

Corporate credit card use shall be limited to business purposes. Violations of this policy shall subject the individual to dismissal. Any unauthorized charge on the card shall be the responsibility of the individual.

CHAPTER 6
PERFORMANCE EVALUATIONS, COMPENSATION PLAN AND TRAINING

6.1 PERFORMANCE EVALUATIONS AND COMPENSATION PLAN

To achieve the Agency’s goal to train, promote and retain the best-qualified employee for every job, the Agency will conduct yearly performance evaluations for all positions. The Executive Director or designee is responsible for developing and maintaining the Agency’s performance evaluation program and compensation plan. The Agency’s compensation plan may include position descriptions, pay grades, salary ranges, reviews, reclassification or promotions, reporting relationships and bonuses. The compensation plan is intended to provide flexibility and is subject to changes based on direction from the Agency Board or by the Executive Director.

6.2 TRAINING POLICY

Employee training and professional development are core Agency values. The Agency seeks, within the limits of available resources, to offer training to increase an employee’s skill, knowledge and abilities directly related to Agency employment, to obtain or maintain required licenses and certifications, to maintain professional designations and certifications related to position responsibilities, and to develop staff resources. Opportunities may include but are not limited to: on-the-job training, in-house workshops and seminars sponsored by other agencies or organizations, continuing education, and memberships with professional organizations as authorized by the Executive Director.

CHAPTER 7 BENEFITS

7.1 RETIREMENT BENEFITS

The Agency ~~makes contributions on behalf of all eligible employees~~ has elected to participate in the pension or Public Employee Retirement System of Idaho (PERSI). PERSI is a defined benefit retirement plan and is mandatory for eligible employees. Employees are eligible to participate in PERSI if they normally work twenty (20) hours or more per week and the term of employment is for five (5) consecutive months or longer.

As a PERSI member you have a percentage of your gross salary deducted, tax deferred, from your bi-weekly paycheck as contribution plans currently approved by the CCDC Board of Directors for toward your retirement. Additionally, the Agency contributes a percentage toward retirement

Active members of PERSI earn service credit toward a PERSI retirement. Most members are vested when they acquire 60 months of service. Once vested an employee may be eligible to claim a monthly lifetime retirement benefit.

PERSI also offers a supplemental retirement savings plan called the Choice 401(k) Plan, which allows PERSI eligible employees and as otherwise required by law, to make voluntary contributions. For more information, please contact human resources and/or visit PERSI at www.persi.state.id.us/.

7.2 DISABILITY BENEFITS (WORKERS' COMPENSATION)

7.2.1 Coverage and Claims

All employees are covered by worker's compensation insurance. This insurance covers employees in case of on-the-job injury or job-related occupational disease. The Agency's workers' compensation insurance carrier will pay the employee for workdays lost and medical costs attributable to job-related injuries or occupational diseases. **All job-related accidents must be reported immediately to the supervisor.**

When an employee is absent for one or more days due to an on-the-job accident or occupational disease, he/she is required to file a claim for Workers' Compensation. If the employee files a claim, the Agency will pay the employee's regular salary from the employee's sick leave pending determination of eligibility for Workers' Compensation benefits.

7.2.2 Coordination of Benefits

If the employee is determined to be eligible for Workers' Compensation benefits the Agency will credit the amount of personal sick leave used until payment of workers' compensation benefits commences. This policy is to ensure that employees will receive prompt and regular payment during periods of injury or disability, so long as accrued sick leave is available pending determination of entitlement to workers' compensation benefits. Upon determination of entitlement to workers' compensation benefits, the appropriate amount of sick leave shall be restored to the employee's account. (Please also see Section 8.11 of this Policy manual.)

Subject to the Idaho Workers' Compensation laws and in coordination with the Agency's workers' compensation insurance carrier, the Agency may require an examination at its expense, performed by a physician of its choice.

7.3 HEALTH INSURANCE BENEFITS

Regular full-time and part-time employees and their dependents are eligible to participate in the Agency's various insurance programs ~~after 30 days~~ of the ~~initial~~^{1st} of the month following the date of employment. The programs and criteria for eligibility will be explained upon hire. The Agency pays the cost of premiums in the amounts authorized by the Agency Board. The Agency reserves the right to make changes in the carriers and provisions of these programs when deemed necessary or advisable. ~~The program may include a self insurance component and a procedure written for implementation.~~

Temporary employees will normally not be eligible for group health insurance coverage.

7.3.1 Employee Assistance Program

As part of the Agency's insurance programs, the Agency has provided for an Employee Assistance Program (EAP) for its employees through which employees and their dependents are able to obtain appropriate and necessary care for problems they may suffer and for such other personal problems as may interfere with their productivity and general welfare. The program and criteria for eligibility will be explained upon hire. The Agency pays the costs imposed by the provider of the program in the amounts authorized by the Agency Board. The Agency reserves the right to make changes to this program when deemed necessary or advisable, with prior notice to affected employees.

~~7.3.2.1 Self Insurance Medical Reimbursement Plan~~

~~As part of the Agency's Health Insurance program, the Agency Board, pursuant to Resolution No. 918 approved on January 13, 2003, adopted a Medical Reimbursement Plan. A copy of the current Medical Reimbursement Plan is attached hereto as Attachment 1 and is incorporated herein by reference. As with the Agency's health benefit program, the Agency reserves the right to make changes to the Medical Reimbursement Plan when deemed necessary or advisable, with prior notice to affected employees.~~

7.4 CONTINUATION OF INSURANCE COVERAGE

7.4.1 Workers' Compensation Benefits

An employee receiving Workers' Compensation benefits continues to accrue vacation leave and sick leave for up to six (6) months. The Agency also continues to pay for the employer's portion of health insurance premiums. After six (6) months, the employee's healthcare benefits shall cease. The employee may continue health care benefits by self-paying insurance premiums for the remainder of the time he/she receives Workers' Compensation benefits.

~~7.4.2 COBRA Rights~~

~~Upon an employee's termination from Agency employment or upon an unpaid leave of absence, at the employer's option and expense, the employee may be eligible to continue Agency health insurance benefits to the extent provided under the federal COBRA regulations. An administrative handling fee over and above the cost of the insurance premium may be charged the employee or his/her dependents that elect to exercise their COBRA continuation rights.~~

~~7.4.3~~ **7.4.2 Termination, Retirement, Leave of Absence**

For eligible employees who terminate, retire or are on an approved leave of absence, the Agency will pay the Agency's share of the premium for the month the employee is leaving.

~~7.5~~ **UNEMPLOYMENT COMPENSATION**

~~Agency employees may qualify for Idaho State Unemployment Compensation after termination from Agency employment depending on the reason for termination and if certain qualifications are met.~~

7.67.5 TUITION REIMBURSEMENT POLICY

~~Capital City Development Corporation-The Agency~~ is committed to excellence, continuous learning. As a means to pursue excellence, this goal and to encourage professional growth and increase effectiveness in its employees, the Agency will provide tuition reimbursement for all regular full-time employees that who have met the probationary requirements of the been employed by the Agency, for at least one year. In addition to the probationary requirement, the employee must be classified continuously employed as a permanent regular full-time employee at the time the class is completed and at the time request for reimbursement is submitted. The employee must maintain regular full-time employment with the Agency for one year after receiving reimbursement to avoid re-payment of the benefit.

Participation is subject to the availability of funds.

An employee's participation in the program will not adversely affect departmental operations or services.

The time scheduled by an employee to attend classes during working hours must be made up during the employee's pay cycle.

The employee's supervisor must verify that course is job-related. Job related courses are:

Credit course(s) whose content is of direct and significant assistance to the employee in fulfilling present duties and responsibilities or advancing professional development. Courses that are not directly related to a specific job, but form part of a job-related degree program, may also qualify for this benefit. Continuing education and audited courses do not qualify nor does course work undertaken solely for self-enrichment.

Under this policy employees may be reimbursed for up to two job-related courses per fiscal year in an amount not to exceed \$1,000. Courses must be taken from an accredited, degree-granting college or university.

The employee must complete the course(s) with a grade of "C" or better. In the case of pass/fail classes, the employee must pass the class.

Employees must pay tuition and required fees when registering for courses at eligible institutions. Tuition and fees excluding application fees will be reimbursed only after proof of successful completion of the course(s) and proof of payment is provide. Fees include books and supplies.

If reimbursement is available through other sources such as grants or scholarship, those avenues of reimbursement must be pursued before reimbursement from the Agency is sought.

It is the employee's responsibility as a taxpayer to assess the tax consequences of reimbursement for educational expenses and comply with existing provisions of the Internal Revenue Code.

Application for reimbursement must be made in writing with attached documentation of course payment and completion.

7.7 HIPAA COMPLIANCE

~~The Agency has adopted certain policies and procedures in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), a copy of which is attached hereto as Attachment 2 and incorporated herein by reference.~~

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CHAPTER 8 LEAVES

8.1 DEFINITIONS

For purposes of this Chapter, the following definitions shall apply:

8.1.1 Dependent Children

Dependent children are children of an employee through age ~~18~~²⁶ (including stepchildren, foster children, legally adopted children, legal wards or a child of a person standing in loco parentis) ~~who are unmarried and claimed as an exemption on the employee's federal income tax return; adult dependent children age 19 through age 22 who are unmarried, attending full time an educational institution of higher learning, and claimed as an exemption on the employee's federal income tax return; and/or incapacitated children who have a developmental or physical disability which existed before the child reached age 23, which is continuing, and which prevents the child from providing for his or her own support.~~ **[Drafting note – confirm definition/requirements with current healthcare plan.]**

8.1.2 Immediate Family

Immediate family is an employee's spouse, child (natural, adopted, step), parents (natural, step, adopted), brother or sister, mother/father-in-law, daughter/son-in-law, grandparents, grandchildren, **or** other relative who lives in the employee's home.

8.1.3 Serious Health Condition

Serious health condition is an illness, injury, impairment, or physical or mental condition that involves: (a) in-patient care in a hospital, hospice or residential medical care facility; or (b) continuing treatment by a health care provider.

8.2 VACATION LEAVE

8.2.1 Accruals

Vacation hours are accrued at the end of each pay period. Each regular full-time employee is entitled to vacation leave as follows:

Years of Employment	Vacation Hours Earned
0-1 years <u>Beginning of eligibility through the completion of the first</u>	10 hrs/month
1-5 years <u>Beginning of year 2 through the completion of the fourth year</u>	12 hrs/month
6 years <u>Beginning of year 5 & over</u>	14 hrs/month

Regular part-time employees will receive vacation on a pro-rata basis.

Temporary employees are not eligible except as provided by Section 3.3 for any vacation benefits. Employees do not accrue vacation benefits during a leave without pay in any month in which compensation is not paid.

8.2.2 Accelerated Vacation Accruals for Exempt Level Employees

In order to ensure the Agency is competitive in hiring and retaining the most qualified employees in exempt level positions, the Executive Director is authorized to agree to initial lump sum and specific monthly accruals of time which exceed the schedules of earning contained in *Section 8.2.1*. Such agreements must be in writing and be retained in both the personnel and payroll file of that employee.

8.2.3 Limits on Accruals

The maximum number of vacation hours which may be carried over from one calendar year to the next is one year's accrual at the current earning rate for that employee, provided however, that the total accrual of unused vacation leave shall not exceed 1.5 times the current annual rate. (Please note: the maximum number of unused vacation hours is pro-rated for a part-time regular employee to reflect his/her normally scheduled workweek.)

Any leave accruals exceeding the maximum carryover on December 31 of each year will automatically be forfeited unless otherwise specifically authorized in writing by the Executive Director or designee.

In cases where Agency operations have made it impractical for an employee to use vacation time, the Executive Director may in his or her sole discretion authorize additional carryover or temporarily increase the total accrual limit for unused leave.

In recognition that the demands of work schedules may prevent the appropriate use of accumulated vacation leave, at the sole discretion of the Executive Director, exempt employees may be paid for up to one-half of current accrual balance of vacation time per year.

8.2.4 Using Vacation Leave

An employee may take vacation leave only after obtaining permission from the [appropriate supervisor or Executive Director, as the case may be](#). Vacations must be scheduled to meet the operating requirements of the Agency, and, as far as practicable, the preferences of the employee. The maximum number of hours an employee may take is the number of hours posted to his/her account at the time the vacation leave is taken; an employee may not "borrow" from vacation accruals not yet earned.

If due to Agency convenience, a pre-approved vacation must be cancelled or changed causing out-of-pocket expense to the employee, then the Agency ~~will~~[may](#) reimburse the employee for the unrecoverable portion of the out-of-pocket expense.

8.2.5 Payment for Vacation Accruals at Termination

When leaving Agency service, an employee will be paid, at the base hourly rate as of the date of departure, a lump sum for all accrued unused vacation which has not been forfeited, but only up to the maximum accrued amount.

8.3 SICK LEAVE

8.3.1 Accruals

All full-time regular employees accrue sick leave benefits at the rate of eight (8) hours for each calendar month of continuous employment. ~~Sick~~Four (4) hours of sick leave is accrued as of ~~the first of each month~~pay period. Regular part-time employees may accrue sick leave benefits on a pro-rata basis according to hours worked. The hours accrued for a particular pay period cannot be used by an employee in advance of or during the pay period they are accrued.

Temporary employees do not earn sick leave benefits except as provided in Section 3.3. Employees do not accrue sick leave benefits during a leave without pay in any month in which compensation is not paid.

8.3.2 Limits on Sick Leave Accruals

The maximum number of hours an employee may carry in his/her sick leave balance is 720 hours.

8.3.3 Using Paid Sick Leave

Acceptable use of sick leave covers those situations in which an employee is absent from work due to:

- (1) Employee's own health condition (illness, injury, physical or mental disability, including disability due to pregnancy or childbirth);
- (2) The need to care for an immediate family member who is ill;
- (3) Medical or dental appointments for the employee or employee's immediate family, provided that the employee must make a reasonable effort to schedule such appointments at times which have the least interference with the work day;
- (4) Exposure to a contagious disease where on-the-job presence of the employee would jeopardize the health of others;
- (5) Use of a prescription drug that impairs job performance or safety;
- (6) Additional leave beyond bereavement leaves for a death in the immediate family, to be authorized by the Executive Director.

A doctor's certificate may be required when an employee is absent for a period in excess of three (3) days. Abuse of such leave may subject the employee to discipline or termination.

Employees who use all their accumulated sick leave and require more time off work due to illness or injury may, with their department head's prior approval, request a leave without pay or use accumulated compensatory time, if any.

Employees will not be paid for any unused sick leave upon leaving Agency service for any reason. Sick leave is a benefit solely for use by an employee to receive pay for absences while employed, and is not an entitlement.

~~If an employee uses less than three sick leave days in a calendar year, that employee will be granted one additional floating holiday to be taken as provided in Section 8.9.~~

8.4 LEAVE WITHOUT PAY

The Executive Director may grant leaves of absence without pay for absence from work not covered by any other type of leave or if other leave balances are exhausted. Examples of situations for which leave without pay may be granted include time off work for personal reasons such as prolonged illness, or parenting.

8.5 JURY AND WITNESS LEAVE

8.5.1 Jury Duty

The Agency provides all employees leave for the full period of jury duty service. Regular full-time and part-time employees who have worked for the Agency for at least 30 days receive paid jury duty leave of up to two weeks each time they are called for jury service. In general, if jury duty extends beyond two weeks in any one instance, the additional leave will be unpaid or vacation time or a floating holiday may be used at the discretion of the employee's supervisor. Exempt salaried employees who are asked to serve longer than two weeks should contact the Executive Director to discuss whether further paid leave will be provided. Payment provided by the courts during periods of paid jury duty leave must be turned over to the Agency, excluding expense reimbursements, such as mileage. You must provide your supervisor with a copy of the jury duty summons as soon as possible after receiving it. Upon completion of jury duty, you are required to provide your supervisor with proof of jury service.

8.5.2 Witness Duty

All employees summoned to testify in court are allowed time off for the period they serve as witnesses. In general, witness duty leave is unpaid unless you are a witness in a case involving the Agency. For exempt employees, however, salary payment will continue except for full-day absences caused because the employee is a party in a lawsuit.

8.6 ADMINISTRATIVE LEAVE

On a case-by-case basis, the Agency may place an employee on administrative leave with or without pay for an indefinite period of time. Administrative leave may be used in the best interests of the Agency as determined by the Executive Director during the pendency of an investigation or other administrative proceeding.

8.7 MILITARY LEAVE

The Agency provides all employees with leave while performing military service in accordance with federal and state law.

If you require time off from work to fulfill military duties, you will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify your supervisor and provide a copy of your orders as soon as possible.

8.8 BEREAVEMENT LEAVE

The Agency provides regular, full-time and part-time employees with paid leave for up to ~~three~~ **five (5)** days in the event of the death of an immediate family member. ~~These family members include spouse, children, parents, brother, sister, grandparent or grandchild of the employee and that of his/her spouse's family.~~

8.9 HOLIDAYS

The following are recognized as paid holidays for all regular full-time and part-time employees:

New Year's Day	January 1
Martin Luther King's Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after Thanksgiving
Christmas Day	December 25
Floating Holiday (+)	One day 2) <u>Two days</u> selected independently by each employee with supervisor's advance approval.

Any holiday falling on Saturday will be celebrated on the preceding Friday. Any holiday falling on Sunday will be celebrated on the following Monday.

Non-exempt regular full-time or part-time employees will be paid for the holiday ~~plus~~ one and one-half times their regular rate of pay for any time worked on the observed holiday. Such time must be pre-authorized by the Executive Director.

Temporary employees will be paid at their regular straight-time rate for hours worked on an observed holiday.

8.10 RELIGIOUS HOLIDAYS

If an employee's religious beliefs require observance of a holiday not included in the basic holiday schedule, the employee may, with the Executive Director's approval, take the day off using vacation, compensatory time, a floating holiday day or leave without pay.

8.11 ON-THE-JOB INJURIES AND TIME LOSS CLAIMS

Any employee involved in any accident or suffering a job-related injury or occupational disease is required to report the accident and/or injury/illness to his/her supervisor immediately. **Failure to report may be grounds for denying workers' compensation, and/or cause for discipline up to and including dismissal.**

Whenever an on-the-job injury causes a regular employee to take time off work for treatment and/or recuperation ("time loss"), that time is charged to the employee's sick leave balance, if any, until the State of Idaho Industrial Commission, or the Agency's workers' compensation insurance carrier, has determined whether the claim is covered under the Workers' Compensation program. If the injury is covered by the Workers' Compensation program any sick leave which has been used will be restored to the employee's sick leave balance.

If the ruling is that the time loss is not covered by the Workers' Compensation program, then the employee will continue to be charged sick leave for the time loss. If the employee exhausts all his/her sick leave, then the employee will be charged his/her vacation, and finally may be placed on leave without pay.

8.12 FAMILY AND MEDICAL LEAVE ~~COMPLETELY REVIEW AND REVISE THIS POLICY~~

8.12.1 Reasons for Family or Medical Leave

Federal Law provides that certain public agencies must provide family and medical leave benefits. [CCDCThe Agency](#) will comply with this law when required. Employees will be eligible for this leave when they have been employed by the Agency for at least 12 months, and have worked at least 1250 hours in the 12 months before the leave. Essentially this means that new employees, and part time employees, may not be eligible for such leave. Eligible employees are entitled to Family or Medical Leave for the following reasons:

a. Employee's Serious Health Condition

An employee may take Family or Medical Leave for the employee's serious health condition, when that condition prevents the employee from performing the essential functions of his or her job. This could include leave taken by a mother for a serious health condition related to pregnancy. An employee who needs this type of leave must give thirty (30) ~~days~~ notice to the Executive Director, if the need for leave is foreseeable, or as much notice as is practicable if the need for leave could not be foreseen.

b. To Care for a New Child

An employee may take Family or Medical Leave to care for a newborn child, a newly adopted child, or a child placed for foster care in the home of the employee. Leave for this purpose must be taken within one year of the birth or placement of the child. An employee who anticipates the need for such leave must provide notice to the Executive Director at least thirty (30) days in advance, unless the need for such leave was not foreseeable, in which case the employee must give as much notice as is practicable under the circumstances.

c. To Care for a Spouse, Parent or Child With a Serious Health Condition

An employee may take leave when the employee is needed to care for the employee's spouse, parent or child who has a serious health condition as described above. The same type of notice as that required for leave for the employee's own serious health condition is required.

8.12.2 Requests for Family or Medical Leave

All requests for family leaves, paid or unpaid, must be comply with work rules, including work rules regarding notification of illness. In addition, at the time leave is requested, the Agency reserves the right to require the employee to obtain a medical certification from a physician, on a form provided by the Agency. This medical certification will allow the Agency to verify that the leave qualifies for Family or Medical Leave. Anytime the Agency requests such a certification, the certification must be returned within 15 days. If not returned, the leave may be delayed until the certification is completed. The burden is thus on the employee to return the medical certification as soon as possible so that leave will not be delayed.

8.12.3 Use of Paid Leave for Family or Medical Leave

An employee may choose, or the Agency may require, use of paid sick leave accruals when the leave is taken for a serious health condition of the employee, parent, child or spouse, or when leave is taken to care for a new child, by birth, adoption or foster care placement. In addition, vacation leave, a floating holiday, or comp time accrued may be used by the employee, at the option of the employee, if the employee requests time off according to his/her department's work rules. Any leave taken beyond such accrued leave is unpaid leave.

8.12.4 Length of Leave

The employee is entitled to up to 12 weeks of unpaid leave in any 12-month period for family or medical leave. A 12-month period shall be measured forward from the first date of an employee's family or medical leave (i.e., if the first day of family or medical leave is March 15, the 12-month period will run through the following March 14).

8.12.5 Benefits

Regular employees taking leave without pay must first exhaust all posted vacation before moving to unpaid status. An employee on leave of absence without pay does not accrue vacation and sick leave during the period of leave.

An employee on leave of absence for family or medical leave will continue to receive group health and life insurance benefits during the leave to the same extent as if the employee had been continuously employed during such leave. The Agency will pay the employee's proportionate share of insurance to the same extent as it pays for other employees.

Employees should contact the Financial Officer prior to going on leave, or as soon as possible if the need for leave was not foreseeable, to make arrangements for the continuation of health benefits during the leave, and to ensure that new children are added to the appropriate insurance coverage. Where an employee has been responsible for premiums for family or other coverage, arrangements must be made to assure payment of such premiums during the course of the leave.

Employees may be required to provide periodic medical certifications to substantiate the continuing need for family or medical leave. In addition, employees are required to update the agency at least weekly on the status of their return to work.

8.12.6 Return to Work

Upon returning from qualifying medical or family leave, the employee is entitled to be reinstated to the same position held before the leave, or to a position with equivalent pay, benefits and conditions. Employees who have exhausted their 12 week entitlement but do not return from their leave will be terminated to the extent permissible by law.

~~8.13 ADDITIONAL LEAVES~~

~~8.13.1 Bereavement Leave~~

~~A full time regular employee may use up to a total of forty (40) hours of accrued sick leave per occurrence in the event of a death in the employee's immediate family. It is expected that such leave will be taken immediately following the death.~~

~~8.13.2 Other Leaves~~

~~The Agency will provide any other leaves that are legally required or deemed to be in the best interests of the Agency.~~

8.13 PAID PARENTAL LEAVE POLICY

Maternity/paternity/adoption leave under this policy is paid leave associated with the birth of an employee's own child or the placement of a child with the employee in connection with adoption or foster care. Maternity/paternity/adoption leave is not charged against the employee's other paid leave credits. The maximum amount of Paid Parental Leave is six (6) weeks. Employees will be eligible for this leave when they have been employed by the Agency continuously for at least 6 months. New employees may not be eligible for such leave

unless approved in writing by the Executive Director. Temporary employees are not eligible for paid maternity/paternity/adoption leave under this policy. Paid Parental Leave is compensated at 100 percent of salary.

After the six (6) weeks of maternity/paternity/adoption leave have been exhausted, subsequent leave will be covered under appropriate policies. The FMLA allows employees up to 12 workweeks of unpaid leave annually. Paid leave under this policy will run concurrently with FMLA leave. After paid maternity/paternity/adoption leave is exhausted, the employee is required to apply any other available paid leave or take leave without pay, which will also run concurrently with FMLA leave.

8.14 LEAVE AND BENEFITS FOR PART-TIME AND TEMPORARY EMPLOYEES

Unless noted otherwise in these policies, benefits for regular part-time and temporary employees are as follows:

8.14.1 Regular Part-Time Employees

All leaves, including holidays, are pro-rated. Pro-rated means the ratio between the number of hours in the employee's normal work schedule and (40) hours per week.

8.14.2 Temporary Employees

Temporary employees normally are not eligible to receive benefits, including leaves, holidays and insurance, except as provided in Section 3.3.

CHAPTER 9 EMPLOYEE RESPONSIBILITIES AND CONDUCT

9.1 GENERAL CODE OF CONDUCT

All-CCDC is a public agency and a vital part of the city's local government. Its work requires daily interaction with public officials, business leaders, the media, and the general public. Employees are public servants working in the public eye and stewards of public funds. Employees must respect and act on the direction provided by the governing board, the Executive Director and supervisor. Employees should use discretion and appropriate deference when expressing opinions on Agency-related matters.

For the Agency to be successful, all employees are expected to must represent the Agency to the public in a professional manner that is, pleasant, courteous, tactful, efficient and helpful. Employees must maintain a clean and neat appearance appropriate to their work assignment, as determined by their position and the Executive Director.

Since the proper working relationship between employees and the Agency manner. Agency success also depends on each employee's on going job performance, professional conduct and behavior, the Agency has established certain minimum standards of personal conduct. Among the Agency's expectations are: basic. The Agency expects tact and courtesy towards the public and fellow employees, respectful communications; adherence to Agency policies, procedures, safety rules and safe work practices; compliance with directions from supervisors; preserving and protecting the Agency's equipment, grounds, facilities and resources; and providing orderly and cost efficient services to its citizens.

Employees must maintain a clean and neat appearance appropriate to their work assignment, as determined by their position and the Executive Director.

Nothing in this section alters the at-will status of employment at the Agency or the ability of the Agency, or any employee, to terminate the employment relationship at any time.

The Agency is a relatively small organization. To function as efficiently as possible, the Executive Director may ask employees to perform seemingly "menial" duties outside regular assignments. It is no reflection on the employee's worth to the Agency, but a necessary arrangement for most small organizations.

To make the most efficient use of personnel, the Agency also reserves the right to change an employee's work conditions and the duties originally assigned. All positions may include other duties as assigned. Employee responses such as "that is not my job" may be considered a performance issue.

9.2 OUTSIDE EMPLOYMENT AND CONFLICTS OF INTEREST

Employees shall not, directly or indirectly, engage in any outside employment or financial interest which presents a Conflict ~~conflict~~ of Interest ~~interest~~ as defined in the Agency's adopted Ethics Policy or State Statute ~~Idaho Code~~, or interferes with the employee's ability to perform his/her assigned Agency job. Examples include, but are not limited to, outside employment that:

- (1) Prevents the employee from being available for work as required to meet the obligations of their employment;
- (2) Is conducted by non-exempt employees during the employee's work hours;
- (3) Incurs costs to the Agency, such as unreimbursed long distance charges;
- (4) Is with a firm that has contracts with or does business with the Agency;

- (5) May reasonably be perceived by members of the public as a conflict of interest or otherwise discredits public service;

An employee who chooses to have an additional job, contractual commitment or self-employment should consult the Agency's Code of Ethics to determine whether a conflict with Agency employment might exist and take prescribed action if warranted.

9.3 REPORTING IMPROPER GOVERNMENTAL ACTION

State law provides protection to employees who, in good faith, report instances of government waste or abuse. If you report such misconduct and your reporting is within the protection of this law, you cannot be terminated in retaliation for such reporting.

9.4 POLITICAL ACTIVITIES

Agency employees may participate in political or partisan activities of their choosing provided that Agency resources and property are not utilized, and the activity does not adversely affect the responsibilities of the employees in their positions. Employees may not campaign on Agency time or while representing the Agency in any way. Employees may not allow others to use Agency facilities or funds for political activities.

Any Agency employee who meets with or may be observed by the public or otherwise represents the Agency to the public, while performing his/her regular duties, may not wear or display any button, badge or sticker relevant to any candidate or ballot issue during working hours. Employees shall not solicit, on Agency property or Agency time, for a contribution for a partisan political cause.

Except as noted in this policy, Agency employees are otherwise free to fully exercise their constitutional First Amendment rights (political activity and free speech), unless the Agency's right to govern effectively outweighs the employee's rights.

9.5 NO SMOKING POLICY

For health and safety considerations, the Agency prohibits smoking by employees in all Agency facilities, including Agency-owned buildings, vehicles, and offices or other facilities rented or leased by the Agency, including individual employee offices.

9.6 PERSONAL POSSESSIONS AND ELECTRONIC COMMUNICATIONS

The Agency furnishes desks, closets, and/or lockers for security of employee coats, purses, and other personal possessions. We do not, however, assume responsibility for any theft or damage to the personal belongings of employees, and we reserve the right to search employee desks, lockers, and personal belongings brought onto Agency premises, if necessary.

The Agency also furnishes computers for use in conducting Agency business. The computers are the Agency's property. Because the computers are for Agency business, the Agency reserves the right to review the contents of any files or documents on the computer, including contents of any electronic mail. By using Agency equipment, you consent to such access by the Agency. Agency computers may not be used for personal business other than incidental communication resulting in no additional cost to the Agency.

9.7 USE OF AGENCY VEHICLES AND EQUIPMENT

Use of Agency phones for local personal phone calls should be kept to a minimum; unreimbursed long distance personal use is prohibited. The personal use of wireless phone/messaging service which results in increased cost to the Agency must be reimbursed by the Employee. Other Agency equipment, including vehicles, should be used by employees for Agency business only. An employee's misuse of Agency services, telephones, vehicles, equipment or supplies can result in disciplinary action including termination.

9.8 BULLETIN BOARDS

Information of special interest to all employees is posted regularly on the Agency bulletin boards. Employees may not post any information on these bulletin boards without the authorization of the Executive Director or designee.

9.9 CONTACT WITH THE NEWS MEDIA

The Executive Director or designee shall be responsible for all official contacts with the news media ~~during working hours~~, including answering of questions from the media. The Executive Director may designate specific employees to give out procedural, factual or historical information on particular subjects.

9.10 SEAT BELT, CELLULAR PHONE AND TEXTING POLICY

Per Idaho law, anyone operating or riding in Agency vehicles must wear seat belts at all times. Additionally, the Agency expects its employees to refrain from using their phone or media device while driving in the course and scope of their employment. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short and use hands-free options. Texting while driving is strictly prohibited. Violation of this policy may lead to disciplinary action, up to and including termination.

9.11 DRIVER'S LICENSE REQUIREMENTS

As part of the requirements for certain specific Agency positions, an employee may be required to hold a valid Idaho State Driver's license. If an employee's license is revoked, suspended or lost, or is in any other way not current, valid, and in the employee's possession, the employee shall promptly notify the Executive Director and will be immediately suspended from driving duties. The employee may not resume driving for Agency business until proof of a valid, current license is provided to the Executive Director. Depending on the duration of license suspension or revocation, an employee may be subject to disciplinary action, including termination.

9.12 SOLICITATIONS

Most forms of selling and solicitations are inappropriate in the workplace. They can be an intrusion on employees and citizens and may present a risk to employee safety or to the security of Agency or employee property. Other than for authorized community based fund raising campaigns, employees may not solicit for any purpose during work time or in work areas.

9.13 SAFETY

Every employee is responsible for maintaining a safe work environment and following the Agency's safety rules. Each employee shall promptly report all unsafe or potentially hazardous conditions to his/her department head. The Agency will make every effort to remedy problems as quickly as possible. No retaliation will occur for reporting an unsafe condition.

In case of an accident involving a personal injury, regardless of how serious, employees shall immediately notify their department head or the Executive Director.

9.14 SUBSTANCE ABUSE

The Agency's philosophy on substance abuse has two focuses: (1) a concern for the well being of the employee and (2) a concern for the safety of other employees and members of the public.

The Agency reserves the right to conduct random and baseline drug testing should the need arise in the future.

9.14.1 Availability of Rehabilitation or Treatment

As part of our employee assistance program, we encourage employees who are concerned about their alcohol or drug use to seek counseling, treatment and rehabilitation. Although the decision to seek diagnosis and accept treatment is completely voluntary, the Agency is fully committed to helping employees who voluntarily come forward overcome substance abuse problems. ~~In some cases, the expense of treatment may be fully or partially covered by the Agency's benefit program.~~ In recognition of the sensitive nature of these matters, all discussions will be kept confidential. Employees who seek advice or treatment will not be subject to retaliation or discrimination.

9.14.2 When Job Performance Is Affected

Although the Agency is concerned with rehabilitation, it must be understood that disciplinary action may be taken when an employee's job performance is impaired because he/she is under the influence of drugs or alcohol on the job. The Agency may discipline or terminate an employee possessing, consuming, selling or using alcohol, or controlled substances (other than legally prescribed) during work hours. The Agency may also discipline or terminate an employee who reports for duty or works under the influence of alcohol or illegal substances. "Under the influence" means that the employee is impaired to any degree in the performance of his/her work. To the extent allowed by law, an employee may be required to submit to alcohol or illegal substance testing when the Agency has reasonable suspicion that the employee is under the influence of illegal substances or alcohol. Refusal to submit to testing under these circumstances shall be grounds for termination. The confidentiality of test results will be protected.

9.14.3 Drug-Free Workplace

~~Based on the federal Drug Free Workplace Act, the~~The manufacturing, distribution, dispensation, possession and use of unlawful drugs or alcohol on Agency premises or during work hours by Agency employees is strictly prohibited. Employees also must notify the Agency within five (5) days of any conviction for a drug violation.

9.15 GIFTS & GRATUITIES

Employees may not accept gifts of more than a nominal value (\$50.00) from any vendor, supplier, or other person doing business with the Agency. Receiving such a gift may give the appearance of influence regarding the employee's business decisions, transaction, or service. Advertising and promotional items are not considered gifts.

CHAPTER 10
DISCIPLINE AND TERMINATION

10.1 ACTIONS SUBJECT TO DISCIPLINARY ACTION

Our success in providing excellent service to our citizens and maintaining good relationships with the community depends on our employees. We have therefore outlined for your guidance certain conduct which, if engaged in, would be detrimental to our objective and could lead to disciplinary action including discharge. The Executive Director, or his or her designee, is responsible for evaluating, managing, disciplining, and, if necessary, discharging or terminating all employees. The Executive Director may directly communicate with any Agency employee concerning employment related issues, or coordinate such communication through respective department heads or other supervisors.

The following specified conduct is illustrative and not comprehensive. Nothing in the section alters the at-will status of employment at the Agency or the ability of the Agency, or any employee, to terminate the employment relationship at any time.

- (1) Misrepresentation or withholding of pertinent facts in securing employment.
- (2) Unauthorized use or possession of the Agency facilities/property, unauthorized use of position with the Agency for personal gain or advantage, accepting unlawful gratuities or bribes, or lying.
- (3) Smoking in any unauthorized posted area or creating of fire hazards in any area.
- (4) Failure to report an occurrence causing damage to Agency, customer, or public property; failure to properly secure the Agency facilities or property.
- (5) Unauthorized recording of one's own or another employee's time record (all involved employees can be subject to disciplinary action).
- (6) Habitual lateness for work; absence without proper notification to immediate supervisor, excessive absenteeism, or insufficient reasons for absenteeism; loitering, goofing off, failing to assist others in a work situation.
- (7) Making malicious, false, or derogatory statements that are intended or could reasonably be expected to damage the integrity or reputation of the Agency or our employees, on or off premises; disorderly conduct, including fighting on the premises; rudeness, discrimination, intimidation, coercion, use of obscene language, gesture or lack of courtesy to the public or fellow employees.
- (8) Intentional falsification of records/paperwork required in the transaction of the Agency business.
- (9) Inability, inefficiency, negligence, or insubordination, including a refusal or failure to perform assigned work or concealing defective work.
- (10) Failure to observe safety practices, rules, regulations, and instructions; negligence that results in injury to others; failure to wear required safety clothing and equipment.
- (11) Failure to promptly report to your immediate supervisor an on-the-job injury or accident involving an employee, equipment, property, or visitor.

- (12) Dishonesty or theft, including deliberate destruction, damage, or removal of the Agency's or other's property from the premises, or any job site.
- (13) Possession, use, sale, or being under the influence of alcohol and illegal drugs while on Agency business (including standby duty). The only exception to this rule shall be for an employee using or possessing a controlled substance prescribed by a doctor if such use does not impair safe and/or efficient work performance.
- (14) Conviction of a misdemeanor or felony.
- (15) Unauthorized or personal use of the Agency corporate credit card.

10.2 LAYOFF

The Executive Director, in his or her discretion, may lay off employees for lack of work, budgetary restrictions, reorganization, or other changes that have taken place. In determining who is to be laid off, consideration will usually be given to individual performance and job qualifications, as determined by the Agency. Seniority may be considered when performance and qualifications are equal, as determined by the Agency. Employees who are laid off may be eligible to be re-employed, if a vacancy occurs in a position for which they are qualified, but there is no guarantee of re-employment.

10.3 RESIGNATION

An employee is encouraged to provide at least (2) ~~weeks~~weeks' notice of resignation. This time limit may be waived or reduced by the Executive Director.

CHAPTER 11 COMPLAINT PROCEDURES

11.1 COMPLAINT PROCEDURES

The Agency recognizes that sometimes situations arise in which employees feel that they have not been treated fairly or in accordance with Agency policies. For this reason any employee who feels he or she has been discriminated against or has been subjected to harassment should promptly take the following steps:

- Step 1: Employees should first try to resolve any problem or complaint with their supervisor if circumstances prohibit this response (e.g., the supervisor is involved in the conduct), report the behavior to the Executive Director. If the Executive Director is involved in the conduct, the employee should follow the procedure for making a claim against the Executive Director set forth in Section 11.2. ~~Orally or in~~ writing, state specific details of the discriminating behavior. It is helpful if details of dates, times, places, and witnesses, if any, of the discrimination or harassment can be provided.
- Step 2: When normal communication between an employee and the supervisor is not successful or practical, or when an employee disagrees with the application of Agency policies and procedures, the employee should attempt to resolve the problem with the Executive Director. When normal communication between an employee and the Executive Director is not successful or practical, or when an employee disagrees with the application of Agency policies and procedures, the employee should follow the procedure for making a claim ~~against~~ the Executive Director set forth in Section 11.2.
- Step 3: If the employee is not satisfied with the response from the ~~department head~~ supervisor, the employee may submit the problem, in writing, to the Executive Director. The written complaint must contain, at a minimum:
- (1) A description of the problem;
 - (2) A specific policy or procedure which the employee believes has been violated or misapplied;
 - (3) The date of the circumstances leading to the complaint or the date when the employee first became aware of those circumstances;
 - (4) The remedy sought by the employee to resolve the complaint.

The written complaint ~~must~~ should be filed within ten (10) working days of the occurrence leading to the complaint, ~~or ten (10) working days after. This time limit provides an opportunity to resolve the employee becomes aware of the circumstances~~ issue immediately.

The Executive Director may meet with the parties, either individually or together, and will ~~usually~~ respond in writing to the aggrieved employee within ~~ten (10) days~~ a reasonable time of the meeting. The Executive Director response and decision shall be final and binding with respect to employee and the Agency, except as provided for in Section 11.2, below.

Complaint Investigation and Confidentiality

All complaints will be investigated promptly. The identity of the employee making the complaint, as well as the identity of the individual accused of discrimination, will be kept as confidential as possible.

Retaliation

It is contrary to agency policy for a supervisor or any other employee to retaliate against any employee who files a charge of discrimination. Please report any conduct that you feel could be ~~retaliatory~~retaliatory immediately.

~~11.2~~ APPEAL PROCESS ~~11.1.1~~ Additional Procedures

~~In the event the employee is dissatisfied with the decision of the Executive Director after completing the procedure set forth in Section 11.1 (which for purposes of this section shall be referred to as an Appeal), or~~In the event an employee who feels he or she has been discriminated against or has been subjected to harassment by the Executive Director, or an employee seeks to file a written complaint against the Executive Director as allowed under ~~Sections 1.4, 2.4, or 2.5~~Section 11.1 of this Manual, the employee shall file a written complaint with the Chair of the Board of the Agency, including, at a minimum, the information set forth in Step 3 of Section 11.1, which for purposes of this section, such written complaint shall be referred to as a "Claim." ~~Any Appeal must be filed within ten (10) working days of the decision of the Executive Director.~~ Any Claim against the Executive Director, must be filed within ten (10) working days of the occurrence leading to the Claim, or ten (10) working days after the employee becomes aware of the circumstances.

The Chair of the Board, or his/her designee (whose designee may be regular counsel to the Agency, special counsel to the Agency or an independent person retained by the Chair for such purposes), may meet with the Executive Director and employee, either individually or together, and attempt to mediate the Claim ~~or the Appeal~~. The mediation process shall be completed within fifteen (15) working days of the filing of the Claim ~~or the Appeal~~.

~~If mediation fails, and the employee desires to further pursue the Claim or Appeal, the Chair shall convene a hearing committee of the Board, which committee shall consist of the Chair, the Vice Chair, and one member of the Board selected at large by the Chair. The hearing committee shall convene for purposes of disposing of the Claim within fifteen (15) working days after completion of the mediation process described above. The hearing committee shall allow for the presentation of witnesses, cross examination of witnesses, and submission of records by both the Executive Director and the employee. The procedures of the hearing committee shall be informal in nature and not bound by strict rules of evidence or procedure.~~

~~The hearing committee shall render its written decision within fifteen (15) working days of the hearing date. The written decision of the hearing committee shall be final and binding with respect to the employee and the Agency.~~

CHAPTER 12 ELECTRONIC COMMUNICATION

12.1 ELECTRONIC COMMUNICATION MONITORING

The Agency monitors its phone system, network and computers. Information stored in or on company facilities is subject to inspection at any time without notice. Employees have no personal privacy right in anything created, received, or sent on or from the computer and/or internet system; by accessing the system, employees expressly waive any right of privacy in anything they create, store, send, or receive on the system. By accessing the system, employees further consent to allowing personnel of the Agency to access all material created, sent or received on the system.

12.2 ELECTRONIC COMMUNICATIONS AND PUBLIC RECORDS

As the Agency is a public entity, each employee is subject to public records laws.

Each employee is responsible for the content of all text, audio or images that he or she creates, sends, forwards, retrieves, or stores using the Agency's electronic communication systems. Employees should not consider any electronic communication, media or services to be either private or secure. Although email, computer and network accounts may be protected by passwords, Employees should understand that their account and records may not be private. Employees using the Agency's information technology expressly waive any right of privacy in anything they create, store, send, or receive on an Agency computer or through the Agency provided Internet. This includes, but is not limited to, messages or data sent or received on a mobile device. The term mobile device includes cellular telephone, smartphone, tablet, PDA, etc. The use of personally-owned mobile devices to send and/or receive electronic communications for the transaction of Agency business creates a record that may be subject to disclosure pursuant to a public records request. Employees who use personal mobile devices to transact Agency business may be required to provide all communications that relate to Agency business, including text messages, to the Agency upon request. The Agency discourages the transaction of Agency business via text message on personal mobile devices and/or the transaction of Agency business via personal email accounts.

12.3 INTERNET POLICY

Employees may use the internet to increase ~~productive~~productivity. Employees are expected to comply with all Agency policies that may be applicable to the internet. These include, but are not limited to, confidentiality, harassment, ~~solicitation~~solicitation, outside employment and business ethics. Under no circumstances are pornographic or harassing materials to be sent, received, viewed, or downloaded using company facilities at any time or using personal facilities during working hours.

Personal use of the internet is not prohibited if it does not interfere with job responsibilities and productivity. Anonymous messages are not to be sent. Aliases are not to be used. Employees are not to place personal copies of software or data on any computer without prior authorization.

If ~~you are~~the employee is using an internet site paid for by the Agency, ~~you are~~the employee is expected to only use it for business purposes. All work created or received using Agency equipment or facilities are ~~Agency~~Agency property. Illegal use of software is prohibited.

The Agency does monitor its phone system, network, and computers. Information stored in or on Agency facilities is subject to inspection at any time without notice. Employees have no personal privacy right in anything created, received or sent on or from the computer and/or internet system; by accessing the system, employees expressly waive any right of privacy in anything they create, store, send or receive on the system. By accessing the system, employees further consent to allowing personnel of the Agency to access all material created, sent or received on the system.

Violation of this Agency policy will be addressed as a performance issue.

All items uploaded to our web site are to be scanned for viruses. All items downloaded from web site or any other locations are to be scanned for viruses. Material downloaded from the internet is to be placed on diskettes first; it is never to be placed on a hard drive. At least two anti-virus software programs are to be used to scan for viruses before any material from a diskette is placed on our network system.

12.4 SOCIAL MEDIA POLICY

12.4.1 Introduction

The Agency recognizes that social media can be a highly effective tool for sharing ideas and exchanging information. The Agency is committed to using social media to promote the Agency's mission and strategic plan and to maintain effective communications with employees, customers, business partners and citizens. The Agency has an interest and responsibility in determining what is published on behalf of the Agency via social media. The purpose of social media is to disseminate information from the Agency, to the public to provide a forum for discussion and to gather feedback from residents and visitors on Agency-related issues. This regulation establishes rules for the creation and use of social media by Agency employees as a means of conveying Agency related content to the public. This regulation applies to all Agency employees.

12.4.2 Definitions

- A. Social Media – web and mobile based technologies which are used for interactive communication by organizations, communities and individuals often utilizing, but not limited to, third-party services that connect users to one another. Examples of social media include, but are not limited to, Facebook, Twitter, Google+, LinkedIn, YouTube, MySpace, Second Life, Delicious, Yelp, Flickr, Picasa, blogs, message boards, and chat rooms. Social media may exist in many different forms including, but not limited to, internet forums, online profiles, wikis, podcasts, pictures and video, email, instant messaging, music sharing, and voice over IP.
- B. Posts – content published through social media that may consist of dialogue, pictures, videos, URLs, articles, or other communicative content.
- C. Comments – response, reply, observation or opinion made via a social media to a post or another comment, usually made by outside third parties.
- D. Digital Equipment – includes but is not limited to computers, laptops, telephones, cellular phones, smart phones, and iPods. Any technology provided by the Agency for communication, computing, etc., is covered by this definition.
- E. Electronic Communication – any communication made via digital equipment including but not limited to email, texts, phone calls, voicemail and tweets.
- F. Disparaging Remarks – posts or comments made to ridicule, discredit, or demean another person.

12.4.3 Social Media Account Access

Social media network access shall be limited to those with a clear business purpose to use the forum. Only official Agency spokespersons and authorized individuals shall have permission to create, publish or comment on behalf

of the Agency. All users shall obtain authorization, as described within this section, prior to creating and maintaining a page or site associated with the Agency on a social media network. All authorized social media pages and/or sites associated with the Agency shall belong to and be managed by the Agency.

Only individuals who are authorized by the Executive Director or his/her designee are permitted to access, manage and/or post via Agency social media for the purpose of conducting Agency business.

The Executive Director or his/her designee is responsible for maintaining an up to date list of all social networking application domain names in use, the names of all authorized employee administrators or users of these accounts, as well as the associated user identifications and passwords currently active within their respective departments.

Oversight of Agency sponsored social media shall be performed by supervisors of those authorized to manage the Agency's social media activity. All posts on Agency social media shall be in accordance with this policy. The Executive Director or his/her designee shall monitor the Agency's social media for comments requesting responses from the Agency and for comments in violation of this policy. The Executive Director or his/her designee will also monitor content on Agency social media to ensure adherence to this policy and the interests and goals of the Agency. The Executive Director or his/her designee responsible for the creation and/or maintenance of social media content shall ensure that it is able to edit or remove this content.

Authorized individuals representing the Agency on Agency social media must conduct themselves at all times as a representative of the Agency in accordance with all Agency policies.

When an individual responds to a comment in his/her official capacity as an Agency employee, the individual shall not share personal information about himself or herself, or other Agency employees. If the Agency has multiple individuals posting or commenting on behalf of the Agency, those individuals shall coordinate their responses to ensure that conflicting views and/or information is not being disseminated.

Whenever possible, Agency social media should link back to the official Agency website for forms, documents, online services, and other information necessary to conduct business with the Agency.

Use of posted photographs on social media sites shall abide by all copyright and printed material laws. All Agency social media shall adhere to applicable federal, state, and local laws, regulations and policies.

All content or comments made in any social media shall conform to that site's terms and conditions of use.

12.4.4 Prohibited Content in Agency Social Media

As a public entity the Agency must serve all of its constituents in a civil and unbiased manner. Agency social media posts and comments containing any of the following inappropriate forms of content shall not be allowed and are subject to removal and/or restriction by the Agency:

- A. Comments not topically related to the particular social media post being commented upon, including random or unintelligible comments;
- B. Profane, obscene or violent language and/or content;
- C. Defamatory or personal attacks;
- D. Threats to any person or organization;

- E. Content that promotes, fosters, or perpetuates harassment or discrimination on the basis of race, color, religion, sex, age, national origin, citizenship status, disability, genetic information, veteran status, sexual orientation or gender identity/expression;
- F. Sexual content or links to sexual content;
- G. Any comments for the solicitation of commerce that is not related to the Agency or its business partners, including but not limited to advertising of any business or product for sale;
- H. Comments in support of or opposition to political campaigns, or candidates;
- I. Encouragement of illegal activity;
- J. Conduct in violation of any federal, state, or local laws;
- K. Information that may tend to compromise the safety or security of the public or public systems;
- L. Content that violates a legal ownership interest, such as trademark, patent, or copyright, of any other party; or
- M. Confidential or proprietary information.

12.4.5 Expectation of Privacy

Nothing in this policy bestows an individual right nor may it be construed to provide an expectation of privacy. Users of social media should be mindful that once content is placed online, it is no longer under the user's control. Content posted to the internet is immediate and does not expire. Participation in social media, whether by Agency or non-Agency internet resources and whether made while on or off duty must not violate the privacy rights of other Agency employees or customers or violate any Agency policies.

12.5 SOCIAL MEDIA PERSONAL USE

12.5.1 Introduction

The Agency recognizes that many employees have personal social media accounts and engage in various social media activities. As such, the Agency respects employees' right to express personal opinions when using personal social media and does not retaliate or discriminate against employees who use personal social media for political or other lawful purposes. However, employees are personally responsible for content they post on personal social media.

Social media come in many forms including, but not limited to, internet forums, blogs, online profiles, wikis, podcasts, pictures and video, email, instant messaging, music sharing, voice over IP, and others. Social media also include social websites and online communities for business and personal use, such as Facebook, LinkedIn, Yelp, YouTube, Twitter, message boards, and chat rooms.

The purpose of this policy is to caution employees regarding their use of personal social media as it relates to the Agency. This regulation applies to all Agency employees.

12.5.2 No Expectation of Privacy

The Agency may monitor content, comments, and/or discussions about the Agency on social media made by anyone at any time. Content posted to the internet is immediate and does not expire. Users of social media should be aware

that they are not anonymous when they make online comments. Even if a person posts anonymously or under a pseudonym, their identity may still be determined. Utilization of privacy settings for personal use of social media is recommended. However persons who use social media should be mindful that once content is placed online, it is no longer under their control and content shared via private social media does not always stay private.

Employees should have no expectation of privacy while using Agency digital equipment or facilities for any purpose including the use of electronic communications. Regardless of password use and privacy settings, the Agency may retrieve, review and/or monitor or log internet usage and content found on Agency systems and digital equipment, including deleted messages, posts, or comments without notice to the employee. Therefore, users have no expectation of privacy in the use of the Agency's systems or equipment to download, transmit, post, comment, or store information. Nothing in this regulation bestows an individual right nor may it be construed to provide an expectation of privacy.

12.5.3 Employee Personal Use of Social Media

An employee may access social media while at work within the parameters of the Agency's policies. Users are expected to limit use to personal time, such as breaks, lunch periods and off-duty time. If an employee's use of social media becomes excessive, interferes with or is disruptive to Agency business or productivity, or negatively affects the employee's job duties, the employee may be subject to discipline, up to and including termination.

When posting to personal social media, if an employee speaks about job-related content or makes reference to the Agency, people may perceive the individual to be talking on behalf of the Agency. If the employee is not acting in an official and/or authorized Agency capacity, the employee shall use a disclaimer and make it clear that the views are not necessarily reflective of the views of the Agency. An example of such disclaimer is "The views, opinions, ideas, and information expressed on this site are my own and neither reflects the views of my employer nor is in any way attributable to the Agency."

Participation in social media, whether by Agency or non-Agency internet resources and whether made while on or off duty must not violate the privacy rights of other Agency employees, customers, or business partners, or any Agency policy. When participating in social media employees are expected to know and follow all Agency's policies. They are also expected to be respectful, truthful, accurate, and not engage in retaliatory behavior.

12.5.4 Prohibited Conduct in Personal Social Media

Employees may be disciplined up to and including termination for engaging in any of the following in their personal online social media activity:

- A. Promoting or taking part in activities which violate federal, state, or local law.
- B. Threatening harm, directly or indirectly, to any Agency employee or Agency customer, business partner, vendor, or supplier.
- C. Making false or misleading statements about Agency employees, the Agency, Agency customers, business partners, vendors, or suppliers.
- D. Making disparaging remarks toward or about any Agency employee, the Agency, Agency customers, business partners, vendors, and/or suppliers that are based on race, color, religion, sex, age, national origin, citizenship status, disability, genetic information, veteran status, sexual orientation, gender identity/expression or other characteristic protected by law.

E. Using social media to bully, harass, or retaliate against Agency employees or Agency customers, business partners, vendors, or suppliers.

F.

Posting content or making comments that purport to express the opinions of the Agency. If a comment or post could reasonably be interpreted to express the opinions of the Agency, then the employee shall state that the comment/post is a personal opinion in the manner previously described in this regulation. Only an individual officially authorized by his/her supervisor may post or comment on behalf of the Agency. The fact that the subject of the social media content is not specifically named does not constitute a defense or excuse for Agency employees to engage in behavior via their personal social media that violates Agency policies.

Employees are expected to report known violations of this policy to the Executive Director.

12.5.5 Employee Responsibility and Duty To Report

Employees are personally responsible for the content they publish via personal social media. Conduct that violates any aspect of this regulation is subject to investigation and discipline regardless of whether such conduct may have occurred away from work or on non-working time. Employees with questions regarding whether certain activities fall within the parameters of this regulation are encouraged to contact their supervisor.

12.6 MOBILE COMMUNICATIONS POLICY

CCDC will authorize certain employees, on a voluntary basis, to use their personal cellular devices for work purposes when required by their job duties, with payment of an allowance under the terms of this policy. The allowance is considered additional compensation and will be subject to all applicable taxes and withholdings. Allowances are not considered an entitlement and may be changed or withdrawn at any time. CCDC is not liable for purchase, maintenance, damage or loss of the mobile communication device.

Eligibility will be determined by the Executive Director and is based on; communication capability requirement of an employee's job, employee safety requirements, employee being a critical decision maker, employee monitoring mission critical information during non-business hours and other special circumstances as approved by the director.

Allowances will be approved annually by the Executive Director for a one year term and will be paid monthly. Employees are responsible for signing a Mobile Communication Agreement and for providing a copy of the pages from the monthly statement verifying the charge to the accounting department. Under no circumstance will the allowance be greater than cost of the mobile device service plan.

CCDC is not responsible for the administration and payment of all mobile communications costs, nor is it liable to any party for the contractual obligations of the plan. The employee is required to notify CCDC if the mobile communication device that they are receiving the allowance for is lost, stolen or no longer in operation. WORK RELATED RECORDS AND COMMUNICATIONS ARE LIKELY SUBJECT TO IDAHO PUBLIC RECORDS REQUESTS. SUCH RECORDS AND COMMUNICATIONS MAY INCLUDE BUT ARE NOT LIMITED TO: CALL LOGS, TEXTS, EMAILS AND OTHER MESSAGES. SHOULD A PUBLIC RECORDS REQUEST BE FILED, YOU WILL BE ASKED TO GIVE YOUR DEVICE TO THE AGENCY, ITS ATTORNEYS OR TECHNOLOGY REPRESENTATIVES TO REVIEW THAT INFORMATION TO DETERMINE WHAT INFORMATION IS SUBJECT TO DISCLOSURE. EMPLOYEES ARE RESPONSIBLE TO ENSURE THAT CELLULAR DEVICES ARE PROPERLY SECURED VIA PASSWORD PROTECTION.

APPROVED BY: _____ DATE: _____

12.7 RECORD RETENTION

Employees are required to comply with the Agency's records retention schedules. The records retention schedules are attached hereto as Appendix B is incorporated into the Board's Public Records Retention policy and was most recently updated by Resolution 1340 on April 14, 2014.

Capital City Development Corporation

RECEIPT OF PERSONNEL POLICIES

All employees should read the following; then sign, date and return the form to the Agency Executive Director. The form will be placed in the employee's personnel file.

Enclosed are the Capital City Development Corporation Personnel Policies. It is your responsibility to read these policies, as they will acquaint you with some of your employee benefits, our personnel practices and rules, and some organizational philosophy. Employee specifically acknowledges receipt and review of the Agency's Sexual Harassment Policy, Section 2.5.

Employment with the [CCDC Agency](#) is at-will and it is important to understand that these policies do not create an employment contract or a guarantee of employment of any specific duration between the Agency and its employees. Although we hope that your employment relationship with us will be long term, we recognize that at times things do not always work out as hoped, and either of us may decide to terminate the employment relationship, at any time, with or without cause.

As the Agency grows and changes, personnel policies may change. The Agency, therefore, reserves the right to revise, supplement, clarify or rescind any policy or portion of a policy when deemed appropriate by the Executive Director. You will be notified of any such changes.

Please also understand that no supervisor, manager or representative of the Agency other than the Executive Director has the authority to make any written statements or representations which are inconsistent with these policies. Any changes by the Executive Director for particular employees must be in writing or they are ineffective.

If you have any questions about these policies or any other policies of the Agency, please feel free to ask the Executive Director.

I have read and understand the statement above.

Dated: _____

Date: _____
Employee Signature

Employee Printed Name

APPENDIX A

Maximum Per Diem Allowance Daily Per Diem Allowance

(a) In State: \$45.00 day

(b) Out-of-State Per Diem Allowance: \$51.00 per day

Partial Day Per Diem Allowance

Where employees are to be absent from their primary official station on official business for less than twenty four (24) hours, partial day per diem allowance is equal to a maximum of twenty-five percent (25%) of the total per diem allowance for breakfast, thirty-five percent (35%) for the total per diem allowance for lunch, and fifty-five percent (55%) of the total per diem allowance for dinner.

<u>Partial Day Per Diem Allowance</u>		
	<u>In-State</u>	<u>Out-of-State</u>
<u>Breakfast – 25%</u>	<u>\$11.25</u>	<u>\$12.75</u>
<u>Lunch – 35%</u>	<u>\$15.75</u>	<u>\$17.85</u>
<u>Dinner – 55%</u>	<u>\$24.75</u>	<u>\$28.05</u>

APPENDIX B

~~E. **Review Procedure.** The purpose of the review procedure set forth in this paragraph and in paragraph F below is to provide a procedure by which a claimant under the Plan may have a reasonable opportunity to appeal a denial or partial denial of a claim and request a full and fair review. To accomplish that purpose, the claimant or a duly authorized representative may:~~

- ~~_____ (1) Request a review upon written application to the Plan Administrator;~~
- ~~_____ (2) Review pertinent Plan documents or agreements; and~~
- ~~_____ (3) Submit issues and comments in writing.~~

~~A claimant (or duly authorized representative) shall request a review at any time within sixty (60) days by filing a written application after receipt by the claimant of written notice of the denial of his or her claim.~~

~~F. A decision on review of a denial of a claim shall be made in the following manner:~~

- ~~_____ (1) The decision on review shall be made by the Plan Administrator, who may in his or her discretion hold a hearing on the denied claim. The Plan Administrator shall make his or her decision promptly unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case a decision shall be rendered as soon as possible but not later than one hundred twenty (120) days after receipt of the request for review.~~
- ~~_____ (2) The decision on review shall be in writing and shall include specific reasons for the decisions, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.~~

~~8. **NONASSIGNABLE.** None of the payments provided for in this Plan shall be subject to seizure for payment of any debts or judgments against a participating employee, nor shall any employee have any right to transfer, modify, anticipate, or encumber any rights or benefits hereunder; provided, however, the undistributed portion of any benefit payable hereunder shall at all times be subject to setoff for debts owned by an employee to the Agency.~~

~~9. **TERMINATION OF EMPLOYMENT.** In the event that the employment of an eligible employee is terminated for any reason, his or her eligibility to~~

~~participate and receive benefits under this Plan shall cease; provided, however, such termination of employment shall not affect the right of any employee to claim reimbursement hereunder for medical expenses as defined in Article 3 hereof arising prior to the employee's termination of employment.~~

~~10.—COMMUNICATION. The Agency shall communicate the features of this Plan to all eligible employees by mailing a letter to them which essentially follows the format shown in the sample letter attached, and by enclosing a copy of this Plan with the letter.~~

~~11.—EFFECTIVE DATE. This Plan shall be effective as of October 14, 2003 and shall continue in effect until terminated by the Board of Commissioners.~~

~~12.—AMENDMENT AND TERMINATION. The Agency, by resolution of the Board of Commissioners, may amend the Plan at any time, in whole or in part, including any amendments as it shall deem advisable in order that the Plan shall conform to the provisions of Sections 105 of the Internal Revenue Code of 1986, as amended, or to conform to any change in the law. The Plan may be terminated at any time by a resolution of the Board of Directors. If the Plan is amended or terminated, the Plan Administrator shall give written notice to each eligible employee of the action taken by the Board of Directors. Any such amendments or termination shall not affect any right to benefits arising prior to such amendment or termination.~~

~~DATED this _____ day of _____, 2003.~~

~~_____ URBAN RENEWAL AGENCY OF BOISE CITY,
_____ IDAHO~~

~~By _____
_____ Chairman~~

ATTACHMENT NO. 2
POLICIES AND PROCEDURES OF THE URBAN RENEWAL AGENCY OF THE CITY OF BOISE CITY, AKA THE CAPITAL CITY DEVELOPMENT CORPORATION TO COMPLY WITH THE HIPAA PRIVACY REGULATIONS

INTRODUCTION

~~_____ Capital City Development Corporation ("CCDC"), as the sponsor of a group health plan may have access to the individually identifiable health information of the Plan's participants and as such is a "covered entity" as defined by 45 CFR 160.13(3).~~

~~_____ CCDC is also a covered entity as the provider of health care to _____.~~

~~_____ The implementing regulations of the Health Insurance Portability and Accountability Act of 1996 (HIPAA)~~

~~restrict a covered entity's ability to use and disclose protected health information (PHI).~~

~~Protected health information is information that is transmitted by electronic media, maintained in any electronic medium, or transmitted or maintained in any other form or medium. Excluded from the definition of PHI is education records covered by the Family Educational rights and Privacy Act, and employment records held in CCDC's role as an employer.~~

~~It is the policy of CCDC to comply fully with HIPAA's requirements. To that end, all members of the workforce who have access to PHI must comply with this Privacy Policy. For the purpose of this Policy, the workforce includes all individuals who are defined as part of the workforce under HIPAA, which shall include volunteers, trainees, and other persons who perform work under the CCDC's direct control, whether or not they are paid by the CCDC. Hereinafter, the term "employee" includes all of these types of workers.~~

~~No third parties rights, (including, but not limited to participants in the health insurance plan or their beneficiaries or covered dependents, or recipients of health care either directly from or by way of payment for such care by CCDC, or business associates of CCDC), are intended to be created by this Policy. CCDC reserves the right to amend or change this Policy at any time without notice. To the extent this Policy establishes requirements and obligations above and beyond those required by HIPAA, the Policy shall not be binding upon CCDC and shall only be goals which CCDC aspires to attain.~~

~~I. PRIVACY OFFICER AND CONTACT PERSON~~

~~CCDC will designate in a separate document an employee to act as a privacy officer for the health insurance plan and for health care. At some point in the future, and at the option of CCDC, there may be designated one privacy officer for the health insurance plan and a separate privacy officer designated for CCDC as a health care provider. The designated Privacy Officer(s) will serve at the expense of CCDC as the contact person(s) for employees and for recipients of health care who have questions, concerns, or complaints about the privacy of their PHI and shall be responsible to oversee compliance of these policies and procedures and the HIPAA privacy rules.~~

~~The Privacy Officer position may be a full time or part time position or it may be an additional responsibility given to an employee who has other duties.~~

~~II. Notice of Privacy Practices of CCDC that is a sponsor of a health care plan will be provided to all plan participants at the time of implementation of these policies and procedures for current employees and to new participants upon enrollment. In addition, a reminder notice will be provided every three years thereafter. A signed acknowledgement of receipt of the Notice will be requested of each plan participant and retained by CCDC. If a Notice is provided by the insurance carrier, no additional notice will be provided by the employer.~~

~~Notice of Privacy Practices of CCDC as a health care provider, will be provided at the time that initial services are provided, except in the case of emergency treatment situation. In the case of emergency treatment, Notice will be provided as soon as practicable after the treatment is given and either an acknowledgement of receipt of the Notice will be obtained, or documentation of the good faith efforts to obtain the acknowledgement will be made.~~

~~Notice of Privacy Practices will also be provided to plan participants or persons receiving health care services at any other time they request a copy.~~

~~III. WORKFORCE TRAINING~~

~~It is the policy of CCDC to train all members of the workforce on its privacy policy and procedures. The~~

Privacy Officer is charged with developing training schedules and programs so that all workforce members receive the training necessary and appropriate to permit them to carry out their functions relating to the health care information of both employees and health care recipients and their duties as an employee.

IV. ~~COMPLAINT PROCESS~~

~~Complaints regarding violations of these policies and procedures shall be submitted to the Privacy Officer. They may also be submitted in writing to the U.S. Department of Health and Human Services. The Privacy Officer will provide to complainants the address to file their complaint with the Department of Health and Human Services upon request.~~

V. ~~WORKFORCE DISCIPLINE AND SANCTIONS~~

~~Members of the workforce that violate these policies and procedures or the HIPAA privacy regulations shall be subject to disciplinary action. Disciplinary action shall be a minimum of a letter of reprimand in the employees personnel file, but may be suspension or termination, depending upon the violation.~~

VI. ~~MITIGATION~~

~~In the event that improper disclosures of PHI are made in violations of these policies and procedures or the HIPAA privacy regulations, the Privacy Officer will take the steps necessary to retrieve the PHI that has been improperly disclosed. In addition, the Privacy Officer will review the internal procedures to assess what safeguards may be put in place to prohibit further violations. In addition to any sanctions that are deemed appropriate, any employee that either intentionally or unintentionally makes prohibited disclosures shall be required to participate in additional/refresher training regarding HIPAA privacy regulations and these policies and procedures.~~

VII. ~~NO INTIMIDATION OR RETALIATION~~

~~CCDC supports the right of individuals to protect the privacy of their medical information. There will be no retaliation in any way if a person chooses to file a complaint with us or with the U.S. Department of Health and Human Services regarding violations of the HIPAA privacy regulations or these policies and procedures.~~

~~Any employee that discloses PHI to a health oversight agency or public health authority or to their attorney as it relates to allegations that CCDC has engaged in conduct that is unlawful or violates professional or clinical standards or that the care, services, or conditions provided by us potentially endangers a patient or the public will not be intimidated or retaliated against.~~

VIII. ~~WAIVERS OF HIPAA RIGHTS~~

~~No plan participant or health care services recipient will be asked to waive their HIPAA rights.~~

IX. ~~RECORD RETENTION AND DISPOSAL~~

~~The following documents will be kept for a minimum of six years:~~

- ~~1. All records relating to these policies and procedures and a copy of these policies and procedures after the date on which they are no longer effective.~~

~~2. Records of disclosures made of PHI Retention Schedule~~

3. ~~Copies of any written requests for amendment to protected health information and any rebuttal provided denying the request.~~

4. ~~All other compliance reports or documentation.~~

~~Protected health information shall be shredded before disposal so that it may not be identifiable.~~

~~X. PERMITTED USE AND DISCLOSURE~~

~~1. **Required disclosure:** Disclosure to the individual about the individual, except for psychotherapy notes, and unless it has been determined by a competent medical authority that the disclosure of the information would be harmful to the individual, and information compiled in anticipation of either civil or criminal litigation and information protected from disclosure under the federal Clinical Laboratory Improvements Amendments of 1988. Disclosure to the Secretary of Health and Human Services for the purposes of determining our compliance with the HIPAA privacy regulations.~~

~~2. **Permissive Disclosure of Protected Health Information Without Authorization to other entities for the purpose of:**~~

~~A. **Treatment:** To coordinate or manage an individual's health care and related services.~~

~~B. **Payment:** To obtain payment for health care services or to pay claims from doctors, hospitals and other providers for service delivered or to determine an individual's eligibility for benefits, to coordinate benefits, or to issue explanations of benefits.~~

~~C. **Health Care Operations:** To support the daily activities related to health care, including but not limited to, addressing grievances, quality assessment activities, conducting or arranging for legal services, to rate our risk for the purpose of determine our premiums for your health plan.~~

~~D. **Required by Law:** We may use or disclose an employee or health care services recipient's PHI if law or regulation requires the use or disclosure.~~

~~E. **Other allowed disclosures without authorization include:**~~

- ~~• Disclosure about victims of abuse, neglect or domestic violence;~~
- ~~• Disclosure for judicial and administrative proceedings;~~
- ~~• Disclosure for law enforcement purposes, for example information for the purpose of identifying a suspect, fugitive, material witness, or missing person or information regarding a person suspected as being a victim of a crime;~~
- ~~• Disclosure for public health activities;~~
- ~~• Disclosures for health oversight activities;~~
- ~~• Disclosures about a decedent to a coroner, medical examiner, or funeral director;~~
- ~~• Disclosures for cadaveric organ, eye or tissue donation purposes;~~
- ~~• Disclosures for certain limited research purposes, in accordance with certain safeguards;~~
- ~~• Disclosures to avert a serious threat to health and safety of a person or the public;~~
- ~~• Disclosures for specialized government functions, such as tracking of FDA regulated products of activity;~~
- ~~• Disclosures that relate to workers' compensation programs;~~
- ~~• Disclosures for limited marketing activities; and~~

- ~~Disclosure to military authorities the medical information of armed forces personnel.~~

~~3. **Disclosures of PHI pursuant to an Authorization:** PHI may be disclosed for any purpose if an authorization that satisfies all of HIPAA's requirements for valid authorization is provided. All uses and disclosures made pursuant to a signed authorization must be consistent with the terms and conditions of the authorization.~~

~~4. **Disclosures to personal representatives:** Disclosure of PHI may be made to guardians, conservators, and executors of an individual or their estate and to the parents of a minor child. When the HIPAA privacy regulations require that the individual or personal representative of an individual be advised that PHI relating to abuse or neglect is being disclosed to the appropriate agencies, if the personal representative is the suspected perpetrator, the personal representative shall not be advised of such disclosure.~~

~~5. **Disclosures requiring an opportunity for the individual to object:** An individual must be advised of the use or disclosure of PHI and have the opportunity to object to or limit the use or disclosure of PHI associated with a health care plan if information relating to an individual's name, location in the facility, condition described in general terms and the individual's religious affiliation are to be used to maintain in a directory of individuals in a facility.~~

~~6. **Disclosures to family members:** Disclosure of PHI shall not be made to family members without written authorization.~~

~~7. **Disclosures for workmen's compensation purposes:** Medical information obtained for worker's compensation purposes does not fall within the HIPAA privacy regulations.~~

~~XI. MINIMUM NECESSARY PROTECTION~~

~~Any disclosure of PHI shall contain the minimum information necessary to accomplish the authorized disclosure and to comply with the authorization for disclosure, except when the disclosure is made pursuant to a court order or court issued subpoena. Prior to any disclosure of PHI, all disclosures shall be reviewed by the Privacy Officer to determine if the disclosure is authorized pursuant to the HIPAA privacy regulations or a valid authorization of the individual, and if the information being provided is the minimum necessary. All PHI contained in a document that is in excess of the minimum necessary shall be redacted.~~

~~No member of the person shall request PHI in their capacity as a member of the workforce unless that information is necessary for perform the duties of their job. When requesting PHI, the request shall be limited to only that information that is necessary in order for the member of the workforce to perform their duties.~~

~~XII. WORKFORCE ACCESS TO PROTECTED HEALTH INFORMATION~~

~~Only members of the workforce that need access to PHI in order to perform their assigned duties shall have access to the information. That access shall be limited to the minimum necessary to perform their duties. The following is a list of work positions and the types of PHI to which they need access to the information in order to perform the responsibilities of their assigned duties:~~

- ~~(a) *Administrative Services Director;*~~
- ~~(b) *The minimum information necessary to properly administer CCDC's health insurance program, the employee assistance program, and the medical reimbursement program.*~~

~~XIII. BUSINESS ASSOCIATES~~

~~_____ No disclosure of PHI shall be made to a business associate without a contract with that business associate that contains provisions that require the business associate to protect the confidentiality of the PHI. Only the PHI necessary in order for the business associate to fulfill their contract shall be provided to the business associate.~~

~~**XIV. _____ INDIVIDUAL RIGHTS**~~

~~_____ Plan participants and health care services recipients are entitled to the following rights:~~

~~_____ 1. _____ The right to inspect and copy the PHI which is maintained by CCDC for as long as we maintain the information, except psychotherapy notes; information compiled in reasonable anticipation of, or in use in, a civil, criminal, or administrative action or proceeding; and PHI that is subject to some other law that prohibits access to PHI.~~

~~_____ 2. _____ The right to request restrictions on the use or disclosure of their PHI for treatment, payment or health operations purposes. The request must be made in writing to the Privacy Officer and must state (1) what information they want restricted; (2) whether they want to restrict the use, disclosure, or both; (3) to whom they want the restriction to apply, for example, disclosures to their spouse; and (4) an expiration date. If the Privacy Officer believes that the restriction is not in the best interest of either party or that the request cannot reasonably be accommodated, the Privacy Officer has the authority to deny the request. If the Privacy Officer determines that the request is reasonable, the request will be honored, unless the PHI is needed to provide emergency treatment. A previously agreed upon restriction may be revoked, at any time, in writing.~~

~~_____ 3. _____ The right to request that they be communicated with by alternate means or at an alternate location, without having to explain the reason for the request. Reasonable requests will be accommodated, when possible, or when the individual clearly proves that the disclosure of all or part of that information could endanger them.~~

~~_____ 4. _____ The right to request amendments to the PHI if the individual reasonably believes the information is incorrect or incomplete. This right is only valid so long as we maintain this information. While we will accept requests for amendments, we are not required to agree to the amendment.~~

~~_____ 5. _____ The right to an accounting of the disclosures we have made of PHI for purposes other than treatment, payment, or health care operations. This right excludes disclosures made to the individual, disclosures made pursuant to a valid authorization, disclosures made to persons involved in the individual's care, or disclosures made for notification purposes. This right applies to disclosures made after April 14, 2003 and no more than 6 years from the date of the request.~~

~~**XV. _____ TECHNICAL AND PHYSICAL SAFEGUARDS AND FIREWALL**~~

~~_____ Members of the workforce that are authorized to have access to PHI shall not leave or place PHI in any place where that information can be viewed by individuals that are not authorized pursuant to these policies and procedures to have access to the information.~~

~~_____ Protected health information stored in a computer file shall be password protected to insure that unauthorized individuals will not be able to access the materials. Computers where PHI may be displayed on the computer screen shall be set up in such a manner to prevent the viewing of the computer screen by individuals that are not authorized to have access to the information.~~

~~Protected health information that is maintained in a paper format shall be maintained in a file separate from other information regarding the individual and shall be kept in a locked file cabinet(s), with only authorized members of the workforce having access.~~

~~Verbal communications regarding PHI shall be conducted in a location and in such a manner as to prohibit individuals that are not authorized to have access to that information from hearing the communications.~~

~~Fax and copy machines over which PHI is received or copied shall be maintained in a location where the only individuals that will have access to that information are those individuals authorized to do so.~~

~~All health information that is obtained as employment information, but that also falls within a category of PHI shall be afforded the protections under these policies and procedures regardless of how it is obtained.~~

~~XVI. STATE LAW~~

~~In the event that state law provides greater protections to health information than that which is provided in these policies and procedures and the HIPAA privacy regulations, the state law will be followed.~~

~~XVII. EFFECTIVE~~

~~These Policies and Procedures shall be effective on October 14, 2003 and shall remain in effect until amended in writing.~~

To be detached and retained by the covered entity

ACKNOWLEDGEMENT OF RECEIPT OF POLICIES AND PROCEDURES

I _____, hereby acknowledge receipt of a copy of the Policies and Procedures of Capital City Development Corporation to Comply with HIPAA Privacy Regulations, with an effective date of October 14, 2003.

4813-2064-3367, v. 48-2064-3367, v. 5-2064-3367, v. 4-2064-3367, v. 3



AGENDA BILL

Agenda Subject: Type 1 Streetscape Grant Participation Agreement for The One Nineteen reimbursement of public streetscape improvements for a residential condominium project located at 119 W. 10th Street within the Westside Downtown URD.		Date: 12/14/2015
Staff Contact: Shellan Rodriguez	Attachments: 1) Site Map 2) Rendering	
Action Requested: Review of The One Nineteen as a project eligible to utilize a Type 1 Streetscape Grant Participation Project and direct staff to continue negotiating a final agreement for future board approval.		

Background:

Sawtooth Development is a development firm based out of Ketchum, Idaho. They are currently constructing 26 luxury residences at 119 W. 10th Street. The site has been previously used for surface parking. The project includes 2 levels of podium parking with 4 levels of contemporary residential units above. The condominium project is designed with a focus on urban living and alternative transportation.

CCDC Board has approved the CCDC Participation Program which includes a Type 1 Streetscape Grant Program. The Type 1 program is intended to, “assist smaller projects on their own schedule, often triggered by a tenant improvement.” The grant will reimburse for up to \$150,000 of eligible expenses, hard costs of streetscapes.

The One Nineteen is the residential portion of a larger phased project. The One Nineteen aims to be complete in spring of 2016. The second phase includes the renovation of the existing office building fronting Main Street. Phase two is slated to include condominium office space as well as retail use. The timing of that project is unknown and the developer intends to request participation from CCDC for that project as a separate request at a later date. The residential project received a building permit and started construction in April 2015 and is scheduled to be complete in April 2016.

The public improvements requested for reimbursement are all within the ROW (Right of Way) adjacent to the project area. The eligible improvements include: street trees, historic street lights, street furnishings (bike racks and benches), sidewalks, landscaping, and awnings.

Project Summary:

- Located on 10th and Grove Streets (Westside URA)
- Approved March 12, 2015 - Design Review
- 26 luxury condominiums
- 39 garage parking stalls
- \$7.4 million Project cost estimate (\$5.6 million building permit value + \$1.8 million parking/podium building permit value)

Fiscal Notes:

Preliminary information shows that the project has eligible costs which exceed \$150,000, but project will only request \$150,000 as determined in the T-1 participation program. The project meets all program requirements as outlined in the program and fiscal 2016 budget resources have been approved as well as included into the 5 year CIP as one of two projects contemplated for a Type 1 Streetscape Grant in the Westside District.

Preliminary estimates indicate the project will generate approximately \$83,000 annually in increment revenue after completion, estimated to be FY 2018, for a total of about \$830,000 through the end of the district in 2026.

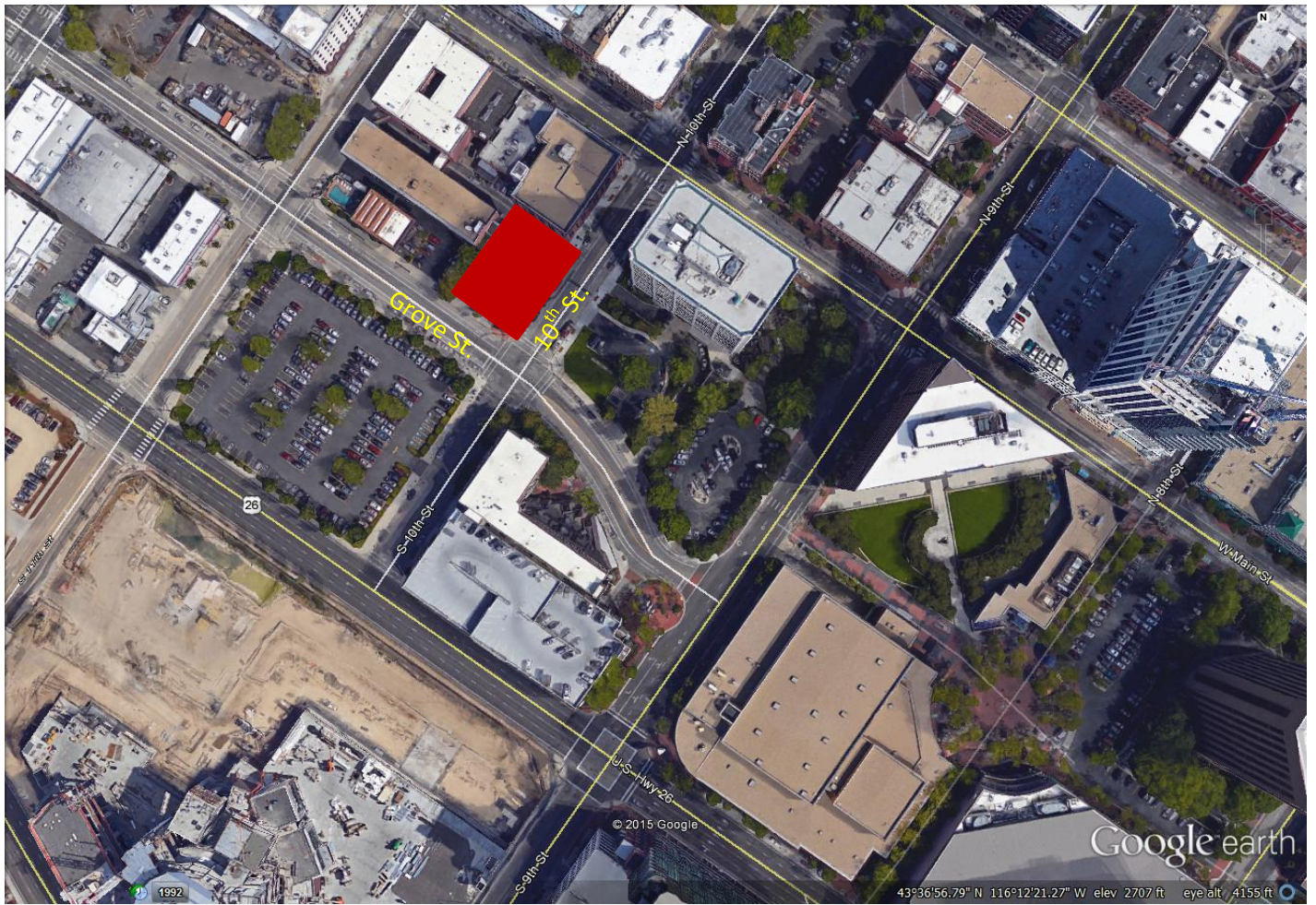
Staff Recommendation:

Provide feedback and direct for staff to continue negotiating and finalizing the terms of the Type 1 Participation Agreement for future Board Approval.

Suggested Motion:

N/A

Attachment 1 – Site Map



Attachment 2 – Rendering





AGENDA BILL

Agenda Subject: Type 1 Streetscape Grant Participation Agreement for George's Cycles reimbursement of public streetscape improvements for a retail retrofit project located at 312 S. 3 rd Street within the River Myrtle URD.		Date: 12/14/2015
Staff Contact: Shellan Rodriguez	Attachments: 1) Site Plan 2) Rendering	
Action Requested: Review George's Cycles as a project eligible to utilize a Type 1 Streetscape Grant Participation Project and direct staff to continue negotiating a final agreement for future board approval.		

Background:

George's Cycles, a local bike retailer and servicer, purchased a 23,000 s.f. warehouse building previously used as an auto parts warehouse and office. It was built in 1949. George's is in the process of renovating it for their new retail location. The space will become the business's sole location (replacing the 4 existing around Boise). George's Cycles is requesting CCDC assistance through the Type 1 Streetscape Grant Program for streetscape improvements on 3rd St., Broad St., and Front Street.

CCDC Board has approved the CCDC Participation Program which includes a Type 1 Streetscape Grant Program. The Type 1 program is intended to, "assist smaller projects on their own schedule, often triggered by a tenant improvement." The grant will reimburse for up to \$150,000 of eligible expenses.

George's Cycles aims to complete the renovation in early 2016. The streetscape portion of the project will likely be completed in mid-January. The streetscapes were designed and approved by Design Review in December, 2014 before the LIV District / Broad Street designs were complete. The streetscapes were designed to be consistent with the streetscapes along the adjacent building, CSHQA headquarters, which were approved by CCDC before completion and CCDC provided funding in June, 2013. This design is a variation on the standard streetscape elements utilizing a more sustainable design scheme which also works well with the limited right of way and reuse of existing buildings.

The public improvements requested for reimbursement are all within the ROW adjacent to the project area. The eligible improvements include street trees, historic street lights, street

furnishings (bike racks and benches), sidewalks, and landscaping. The project is requesting approximately \$131,000 of eligible expenses.

Project Summary:

- Located 3rd and Broad Street (River Myrtle URA/ LIV District)
- Approved December 18th, 2014, Design Review
- 23,000 SF of retail space
- 7 parking spaces
- \$1.3 Million estimated Total Development Costs

Fiscal Notes:

Preliminary information indicates the project will be requesting \$131,809.

The project reimbursement will not exceed \$150,000 as designated in the Type 1 Participation Policy and the project presently meets all program requirements. This is one of two projects contemplated in the 5 year CIP for a Type 1 Streetscape Grant in the River Myrtle District/Central Addition LIV District and is currently budgeted for in FY 2016.

Preliminary estimates indicate the project will generate approximately \$9,500 annually in tax increment revenue after completion beginning in fiscal 2018, with a total of approximately \$85,500 over the life of the district.

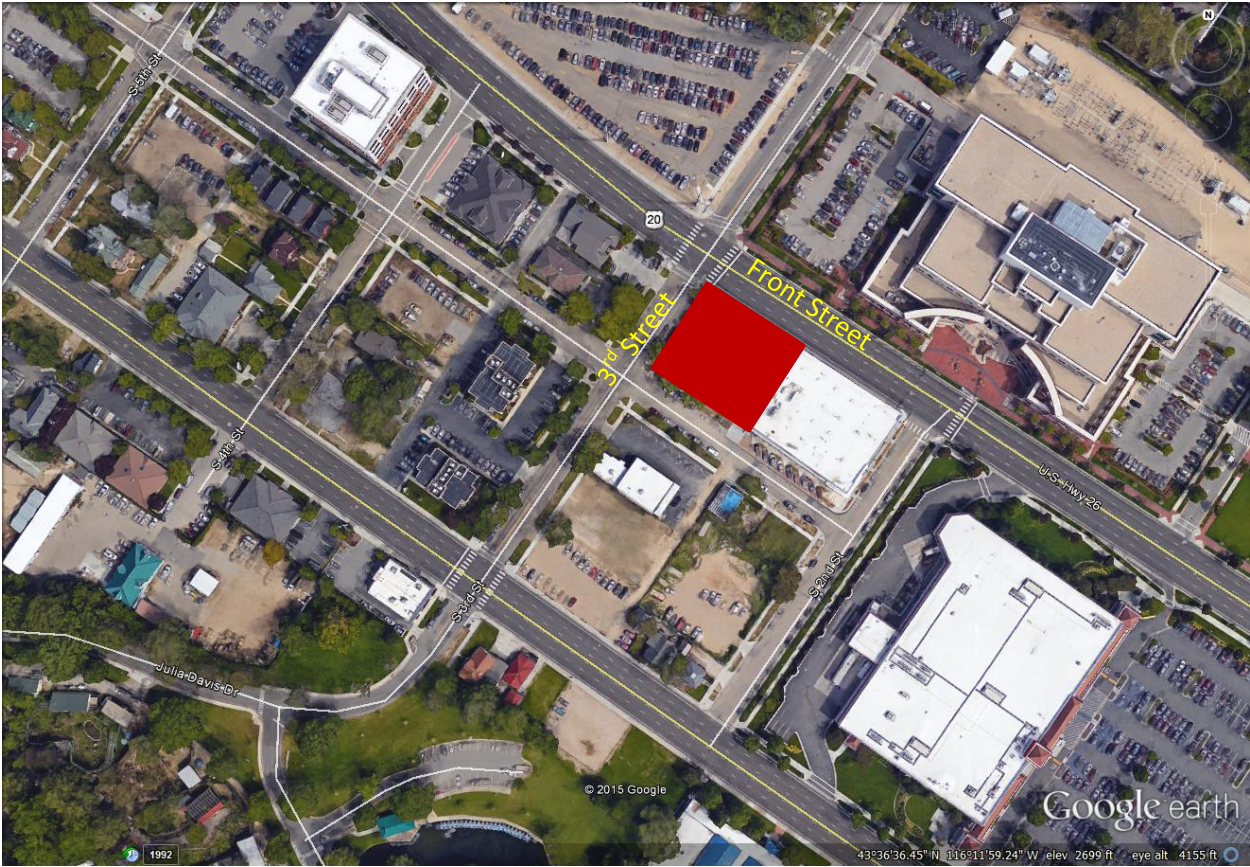
Staff Recommendation:

Provide feedback and direct for staff to continue negotiating and finalizing the terms of the Type 1 Participation Agreement for future Board Approval.

Suggested Motion:

N/A

Attachment 1 – Site Map



Attachment 2 – Rendering (Front and 3rd)





AGENDA BILL

Agenda Subject: Type 1 Streetscape Grant Participation Agreement for the reimbursement of public utility improvements within the ROW adjacent to the Paulsen Building, located at 515 and 519 W. Idaho Street within the River Myrtle- Old Boise URD.	Date: 12/14/2015
Staff Contact: Shellan Rodriguez	Attachments: 1) Site Map
Action Requested: Review of the Paulsen Building renovation as a Type 1 Streetscape Grant Participation Project and direct staff to continue negotiating a final agreement for future board approval.	

Background:

Five One Five, LLC managed by Eileen Langan Barber owns the historic building commonly referred to as either the Paulsen Building or the Davies Reid Building at 515 W. Idaho Street. There is a small historic carriage house located directly behind the main building which is addressed as 519 W. Idaho Street. Five One Five, LLC and David Ruby, TAO Architects, are completing a renovation of both historic buildings which includes substantial building code upgrades, structural modifications, new bathrooms, creation of a dance studio and converting the carriage house into a residential use. The main building will include a state of the art floating hardwood dance floor which will be used by various social dance groups, many of whom are nonprofit organizations. A wine bar, lounge area and a simple food menu is also envisioned for the space. There is interest in displaying historical information about the building’s design and use as well. The carriage house is proposed as an ‘artist in residency’ apartment.

CCDC Board has approved the CCDC Participation Program which includes a Type 1 Streetscape Grant Program. The Type 1 program is intended to, “assist smaller projects on their own schedule, often triggered by a tenant improvement.” The grant will reimburse for up to \$150,000 of eligible expenses, undergrounding power lines that currently run across the property and along the adjacent alley. Above ground power lines are often an impediment to achieving urban densities due to setback requirements leading to height restrictions. Additionally, above ground power poles and transformers are not aesthetically pleasing generally and particularly in an urban environment.

The renovation project is scheduled to be complete in June of 2016. Due to the nature of the utility lines, Idaho Power would prefer that the lines located in the alley be relocated at the same time as the adjacent project, thus the owner’s development team is coordinating with the neighboring property (5th and Idaho Apartments) to underground all of the power lines in the

area concurrently. The CCDC Type 1 Reimbursement may be delayed to correspond to the adjacent development project, likely late 2016/ early 2017 but would be approved from fiscal 2016 resources. In the event the neighboring residential project does not move forward with their portion of the utility relocation the applicant may also decide not to move forward.

The public improvements requested for reimbursement are within the public alley ROW adjacent to the project area. The eligible improvements include undergrounding utility lines and moving the transformers to a location that adds value the surrounding businesses, and the future of the neighboring properties.

Project Summary:

- June 2015 - Building Permits awarded
- June 2016 – Project Completion
- \$950,000 in renovation costs

Fiscal Notes:

Type 1 Streetscapes Grant Participation Agreement- \$150,000

The request meets the requirements of the Type 1 Participation Policy.

Although it is difficult to estimate how this type of project will be assessed because of the unique nature of the uses, based on the construction value it could generate approximately \$11,000 annually in increment after completion (FY 2018) and a total of about \$90,000 through the term of district in 2025.

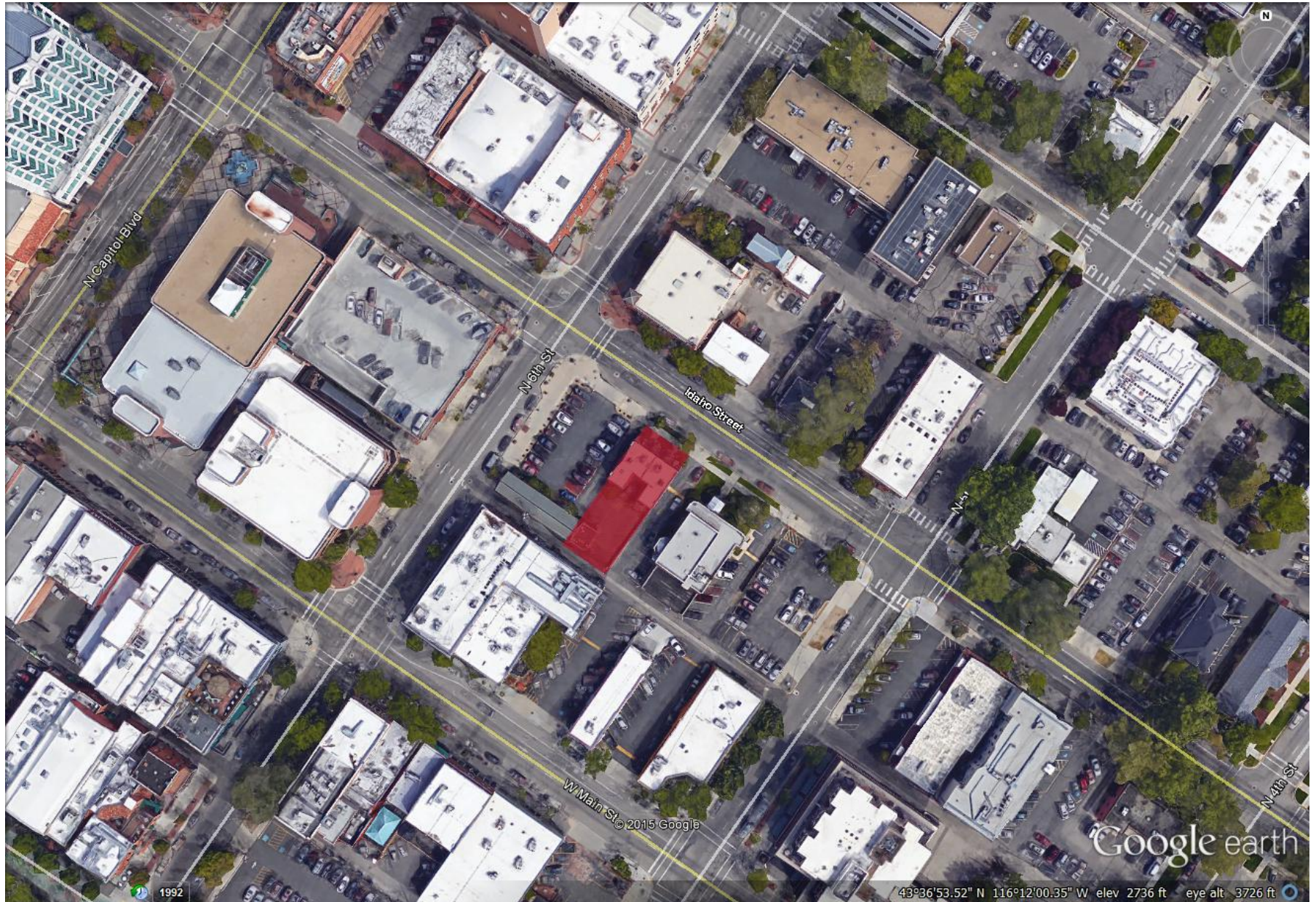
Staff Recommendation:

Provide feedback and direct staff to continue negotiating and finalizing terms of the Type 1 Streetscape Grant Participation Agreement for future Board approval.

Suggested Motion:

N/A

Paulsen Building Site Map





AGENDA BILL

Agenda Subject: Type 2 General Assistance Participation Agreement for Hyatt Place, a proposed hotel located on Bannock St. between 10 th and 11 th Streets in the Westside URD.		Date: 12/14/2015
Staff Contact: Shellan Rodriguez	Attachments: 1) Site Plan and Rendering	
Action Requested: Review of Hyatt Place as a project eligible to utilize a Type 2 General Assistance Participation Agreement and direct staff to continue negotiating a final agreement for future Board approval.		

Background:

PEG Development based in Salt Lake City, UT, has proposed a 150 room hotel on a half block site located between 10th St. and 11th St. along Bannock, the site is currently a surface parking lot operated by Carpark. The site is approximately 0.8 acres and is located within the Westside District. The development was approved at City of Boise Design Review on July 8, 2015. The developer plans to begin site clearing and construction later this month, December 2015. Construction is scheduled for completion in early 2017.

PEG Development met with CCDC staff regarding CCDCs participation for streetscapes and public improvements and submitted a Type 2 Participation Application in November of this year. Based on the development’s score it qualifies as a Tier 3 project. This scoring allows for reimbursement of 40 percent of the increment revenue received from the project improvement after the project is completed for 4 years.

Project Summary:

- \$24 million project
- 150 hotel rooms with off site/adjacent surface parking
- Ground floor lobby, eating area, pool and spa and a meeting room

Developer is requesting participation for eligible expenses not to exceed \$650,000 for approved costs in the public ROW along 10th, Bannock and 11th. The improvements include suspended paver systems (aka Silva Cells), additional ROW in the alley as required, streetscapes, furnishings, landscape (trees, wells, irrigation).

Fiscal Notes:

The total cost of public improvements will likely exceed the amount of increment for which the project is eligible. Currently the request includes the following:

- Streetscapes, trees, tree wells, landscaping: \$350,000
- Lights: \$50,000
- Suspended Paver System (Silva Cells): \$240,000
- The total request is f \$640,000

**These numbers have not been vetted and will likely be revised in coming weeks.*

Eligible costs will be reimbursed over the first 4 years after the project is completed will be scheduled for fiscal years 2019-2022.

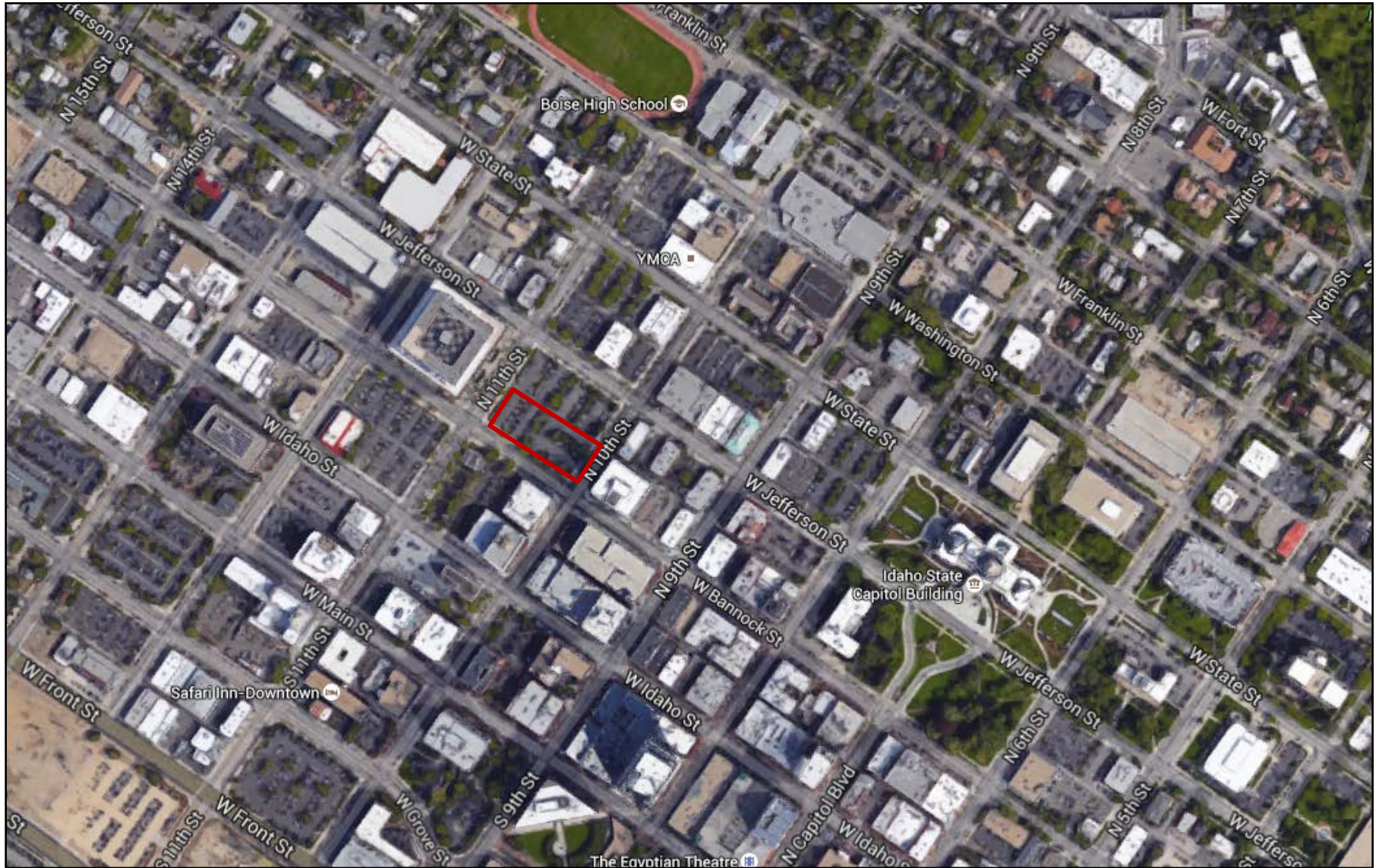
Preliminary estimates based on an estimated assessed value of \$24 million indicate the project would be eligible for about \$137,000 per year with a total reimbursement of approximately \$550,000.

Staff Recommendation:

Review of the Hyatt Place Project as a Type 2 General Assistance Participation Project and direct staff to continue due diligence, and negotiation of terms for a Type 2 Agreement for future Board approval.

Suggested Motion:

N/A





CCDC **FRIDAY UPDATE**
DECEMBER 11, 2015

TO: John Hale, Chairman, CCDC Board Executive Committee
FM: John Brunelle, Executive Director
RE: CCDC Operations Report – November 2015

Important Reading: Projects in the pipeline include four items being “designated” this month for the CCDC Participation Program. Please be sure to review these Agenda Bills in the packet. They are presented as informational items on the December board agenda. They will reappear as “action items” for official board approval in future, but it’s important that board members review the written material in this early stage.

Please take time to review the enclosed updated Personnel Manual. This is a holdover item from last month’s action agenda as board asked for an enhanced parental leave policy. This will be presented by Ross Borden in Monday’s meeting.

For more than two years the agency has benefitted from the good work of Céline Acord, our Administrative Project Assistant. She recently accepted an offer for an position with the City of Boise in the Planning & Development Services department. Her work will focus on current planning and zoning activities in the city’s planning division. This is a great opportunity and we thank Celine for her service at CCDC and wish her well in her new role.

November was hectic and successful at the agency, as you will see in the following pages of this Friday Update. The employee team did make time for a mid-month Saturday community involvement project – Rake Up Boise. It was fun to get together for a good cause outside of the office and regular work environment. Thanks to Mary Watson for organizing this team event.



Rake Up Boise – CCDC Team @ Work

Development Team: Todd Bunderson, Doug Woodruff, Shellan Rodriguez,
Karl Woods, Matt Edmond, Laura Williams & Jay Story

RMH DDA - 620 S 9th St

The development is moving forward and the Developer is working through the soil remediation. Costs are higher than expected.

Hotel on Capitol: Pennbridge Lodging

Environmental remediation is complete, utilities have been buried, alleyway dedicated to ACHD and progress on obtaining foundation permits has been made. Contractor is mobilizing, project is on schedule.

Inn at 500

Foundation and footing permits are in place, with shell and core to follow in early 2016. Utilities are being removed this month and project is on schedule.

Julia Davis Park 5th Street Entrance

Parks Commission approved the path concept on 11/19. COMPASS is collecting bike/ped data at the gate behind IHFA in December. CSHQA will submit the schematic to Design Review in December. Construction will be scheduled to coordinate with geothermal line extension, beginning April/May 2016. This connection is essential to meeting warrants for a signalized crossing of Myrtle at 5th.

Paulsen Building

Staff is requesting Board designation of this project as a T1 Streetscape Grant for approximately \$150,000 to underground utilities in the alleyway.

Thompson Engineers Study Capacity of Main/Fairview

The City masterplan for the West End envisions Main Street and Fairview Avenue with three travel lanes, on street parking, and bicycle lanes. If this new street section came to fruition, the environment for pedestrians, retail, and bicycles would be much improved. There is some concern that reducing one travel lane would cause congestion, but a recent study by Thompson Engineers shows those streets are operating well under capacity even if they had three travel lanes.

Public Art - River Sculpture

Restoration construction is substantially complete.

Broad Street Improvements

CMGC RFP to be issued 12/8. RFP for design professionals forthcoming.

13th & River - Mixed Use

Staff has met with the developer and expects to receive a Type 1 application for Board designation in Q1 2016 for undergrounding utilities.

Historical Museum Streetscapes

Presented Type 4 designation to CCDC board on 11/9. Will present T4 agreement (estimated

\$150,000) for consideration at January CCDC board meeting. Museum expansion/renovation is expected to break ground May 2016 and be complete August 2017.

Protected Bike Lanes

ACHD kicked off design of 2017 DBIP work, which will include evaluation of protected bike lanes with transit islands on Main/Idaho. ACHD commission is expected to make a final decision on bike lanes April 2016. CCDC, Boise City, DBA and VRT are represented on the project team. CCDC will likely be asked to share costs for physical barriers, transit islands, and any aesthetic treatments included.

Public Art - Traffic Box Artwork

CoB Arts and History has reissued an RFQ for the Traffic Box Artwork fabrication. Selection(s) will be made on 12/2/15. The artwork will need to be installed next year due to temperature installation requirements.

Pioneer Corridor Phase 3 Construction

Construction is about 50% complete. All curbing and about 50% of pavers are installed. All pavers are on site. Lights and furnishings are on order. Project on schedule for completion late December.

PP3: JUMP!/Simplot HQ

Board approved T3 designation of Simplot HQ/JUMP project 9/14. Final agreement currently scheduled for consideration at January CCDC board meeting. Agreement language has been finalized and exhibits are being finalized.

SS: Fulton Street Concept Plan

CoB has requested that the Fulton Streetscape efforts be postponed to allow a higher level planning effort of the overall area. The boundaries of the Cultural District are currently being reworked, the Royal Blvd. extension is eminent, a pedestrian and bike corridor are being considered for 8th Street, The Afton construction is underway and master planning efforts for The Library! continue. CCDC has coordinated with CoB and has solicited proposals for the requested higher level planning effort of the overall area. Proposals have been submitted to CCDC for review. Contract has been issued to LOCI/JBA/QCI for the planning effort.

The Condos at 119

Staff is requesting Board designation of this project as a T1 Streetscape Grant for approximately \$150,000 in streetscape improvements.

Macy's Building Redevelopment

The CCDC Board has approved terms of a T3 Participation Agreement. Execution of the Agreement is pending final exhibits. Athlos Academies has closed on the purchase of the property and work on the building is underway. CCDC/Athlos will execute the agreement pending receipt of final facade/streetscape designs. In cooperation with the City of Boise, Athlos Academies received approval of a Tax Reimbursement Incentive award for plans to add 50 new employees with an average wage of \$50,000 and investing an estimated \$10 million in the property. CCDC provided the local match of \$750,000. to provide documentation for the

Idaho Department of Commerce grant application for the Tax Reimbursement Incentive Program.

RFQ/P 1401/1403 W Idaho St

CCDC staff approved the Design Development Plan as per a letter dated September 1, 2015. The Re-use Appraisal has been completed with a value of negative twenty thousand dollars (-\$20,000). Developer and staff have drafted a DDA for the Board's review and approval.

SS: 14th Street

14th Street streetscape improvements have been pulled from project scope for the year due to property owners that are opposed to the improvements and other circumstances. CoB has recently brought on an outside consultant to develop a strategy for maximizing return on investment within the district. CCDC is working with CoB to refresh the planning efforts in this area.

SS: Westside of 5th (Main/Bannock)

Streetscape construction is complete at this location.

"The Fowler" Local Construct Project - 5th & Broad

The project is experience substantial cost increases as its been bid out therefore it is slightly behind schedule. Developer is planning a groundbreaking in late January pending final construction financing. CCDC staff and consultants have been reviewing parking garage design as per our existing Type 3 Agreement

SS: 15th Street

15th Street construction is substantially complete.

Personnel Manual

Management team gave feedback and direction on the items that they would like to consider updated. Deah is doing research and will bring back to MT in May/June.

SS: Main St Both Sides 15th/14th

Construction on the south side of Main Street is substantially complete. Construction on the north side of Main Street scheduled to be substantially complete by the week of 11/9.

West End SS Standards

Draft streetscape manual sent to Boise PDS 11/13. Boise will consider adding as an attachment to its Downtown Design Guidelines rather than a comp plan amendment. Once that occurs, CCDC will go about stripping old streetscape standard attachments from its urban renewal plans.

Brownfield Assessment Grant Application

CCDC is applying for an EPA grant to fund phase I and II assessments of potential brownfield sites in the 30th Street Area to improve awareness and encourage redevelopment/reinvestment in the area. Open house scheduled for 12/9. Grant application is due 12/18. Working on the proposal with the help of City of Boise, IDEQ, Idaho Smart Growth, Idaho Conservation League, and others.

City of Boise Downtown Parks and Public Spaces Master Plan

CCDC staff is attending meetings and sharing information about current development projects with city planners.

Boise City 6.5 Acre Development/Disposition

Staff have been working with Jay Story and Boise City legal and PDS regarding development of these properties with Boise City serving as the lead agency. Staff continues to work with the City as proposals are received. Both properties were listed with Thornton, Oliver, Keller for lease/trade. A proposal from LocalConstruct has been accepted by the City of Boise with a due diligence period which may be extended into January regarding the 6.5 acres. No proposal was accepted for the other parcel. A presentation was made by LocalConstruct to a work session of the Boise City Council on December 8th which reviewed development plans for the site. The plans included multiple scenarios for site design with the key uses identified as housing, grocery, parking and targeted retail. The City Council held an executive session following the public work session.

Public Art - Whittier Fence

CCDC has paid our portion of the project to City of Boise to close out FY14 (\$10,000). Dennis & Margo Proksa of Black Rock Forge in Pocatello were selected to be the artists. Fabrication is anticipated this winter with installation summer of 2016.

Affordable Housing Options

Staff continues to meet with affordable housing developers and financial providers (such as NMTC) to begin to develop a strategy. Staff is assisting the COB in understanding barriers and parameters to affordable housing in downtown and may be assisting in reviewing future affordable housing proposals.

DBIP (DT Boise Implementation Plan) Update

ACHD estimates the soonest a decision can be made on converting 5th & 6th is early 2016 (they want to see how 13th goes this year), and the soonest the actual conversion could take place is 2017. Subsequent coordination with CCDC staff and ACHD pavement managers has been included in the draft 5 year CIP. CCDC and ACHD staff have a tentative agreement to partner on combined streetscape/road rebuild projects on Broad, Capitol/2nd. ACHD work on conversion of 13th and 14th to 2-way is complete.

Wayfinding Project

Manufacture of prototype wayfinding sign and project manual have been delayed ending Federal Highway Administration ruling on compliance of proposed design and color coding scheme with Chapter 2 of the Manual on Uniform Traffic Control Devices (Community Wayfinding section). ACHD staff notified CCDC of this issue on 6/11. Sea Reach is working on project manual. The vehicular legend plan has been finalized.

Participation Program Update

Redline update to the participation policy is on the 12/14 board consent agenda.

Transit Alternatives Analysis

Serving on committee

Update CCDC Streetscape Manual

Draft streetscape manual sent to Boise PDS 11/13. Boise will consider adding as an attachment to its Downtown Design Guidelines rather than a comp plan amendment. Once that occurs, CCDC will go about stripping old streetscape standard attachments from its urban renewal plans.

Parking & Facilities Team: Max Clark & Ben Houpt

Capitol Terrace Garage – Waterproofing

Project is substantially complete. Punch list items being completed.

Capitol Terrace Parking Expansion

Ken Howell was not able to make the December meeting of the Mobility Steering Committee. We will look for a January or February opportunity for him to present his project idea to that group.

Exterior Signage for All Garages

Progress is being made to re-brand the overall downtown "mobility" system and the parking sub-brand. We expect brand adoption and logo development in January/February 2016, and from that the signs can be designed and fabricated for summer time installation.

Parking Website

Vendors have been selected. We are reviewing the scopes of work before the contracts can be finalized. Phase 2 (account management) work should start within the next month.

Parking Rate Examination

Public notice has been given for the monthly rate increase consideration, scheduled for the Board meeting of December 14th. If approved, the rates will increase effective January 1, 2016. They are proposed to increase by \$35/mo. in Capitol Terrace & Eastman; and by \$20/mo. in the remaining four DPPS garages.

Finance Team: Ross Borden, Mary Watson, Joey Chen, Kevin Martin & Peggy Breski

Annual Independent Audit of Agency Fiscal Year 2015 Financial Statements

Independent, external audit firm Eide Bailly was on-site for two weeks in November to audit the Agency's FY 2015 financial statements. A draft report was issued on December 4. The process is on-track for the auditors to present their final report to the Audit Committee (Executive Committee) and full Board of Commissioners as part of the Board's regular January 11, 2016 meeting.

Excellent work throughout FY 2015 by Controller Joey Chen and Accountant Kevin Martin produced another clean audit. The auditors found the Agency's financial statements to, "...present fairly, in all material respects, the financial position of Capital City Development Corporation..." which is the best possible outcome – even if understated.

GBAD Expansion (Centre Building) Conduit Financing

A large team of attorneys, bankers, financial advisors and staffers representing CCDC, the Greater Boise Auditorium District and Wells Fargo Bank has been working diligently since October on documents to allow CCDC to act as conduit financier for GBAD's \$24 million expansion into the Centre building portion of Gardner Company's multi-structure, well-underway City Center Plaza development adjacent to the Grove Plaza.

These documents – originally intended to go before CCDC at a special December 21 Board meeting – are still being negotiated and are now expected to appear on the agenda for the Board's regular meeting on January 11.

CCDC – GBAD Agreements

1. Lease
2. Option to Purchase

CCDC – Wells Fargo Agreements

1. Lease Revenue Note
2. Note Purchase
3. Deed of Trust, Security Agreement, Fixture Filing and Assignment of Leases and Rents (with Trustee)

Although this effort began in the fall of 2014, it took the Idaho Supreme Court's October 2015 ruling to remove the remaining legal obstacles. The court held that GBAD's proposed annually renewable lease with CCDC for the space does not obligate the District to more than one year of financial liability. Under the lease, GBAD can choose to not renew the lease and 'walk away' at any time over the term of the agreement. Lender Wells Fargo – not CCDC – accepts the risk of that happening. If the District does not renew, the bank assumes ownership of the leased facilities. CCDC is simply the conduit through which the District's lease payments flow to Wells Fargo to service the \$24 million debt.

CCDC is not involved in financing the other elements of GBAD's expansion which include the elevated concourse connecting the existing convention center with the Centre building via interposed CenturyLink Arena, or the renovations to the existing convention center facility.

Risk-Based Cycling Review: PARCS Internal Controls

The Executive Committee reviewed and approved Eide Bailly's Risk-Based Cycling Review (Agreed-Upon Procedures) report of Parking and Revenue Control System (PARCS) policies, procedures and internal controls and the Management Response prepared by the Parking Operator (ABM Industries / The Car Park). The topic appears as a Consent Item on the Board's December agenda. An Agenda Bill with the materials attached are included in the meeting packet.

This action culminates Year 1 of the three year contract awarded to Eide Bailly to conduct these Reviews. Year 2 / FY 2016 will examine Agency computer system security. Year 3 / FY 2017

will analyze accounting and contract management policies, internal controls and conformity to best practices.

COMPETITIVE BIDDING and QUALIFICATION-BASED SELECTIONS

Westside Streetscapes: 4.5 block faces
Invitation to Bid Issued: June 2
Bids Opened: June 30
Board Awards Contract: July 13
Contract Awarded to: Guho Corporation
Bid Amount: \$696,000
Status: Construction complete; closeout procedures underway. With only two change orders to complete the project, CCDC's final payment to Guho Corp. is anticipated at only 1% over original bid amount.

Pioneer Pathway, Phase 3 of 3 (River Street to Greenbelt)
Invitation to Bid Issued: August 24
Bids Opened: September 10
Board Awards Contract: September 23
Contract Awarded to: Pusher Construction, Inc.
Bid Amount: \$595,600
Status: Under construction; on-track, 75% complete.

Broad Street – LIV District Public Infrastructure Improvement Project

- For Construction Manager / General Contractor (GM/GC) services.

Request for Qualifications Issued: December 8
Pre-Proposal Meeting: December 15
Submissions Due: January 7

OTHER CONTRACTS ACTIVITY

Downtown Public Parking System (DPPS)

1. RFP for Security Personnel Services. The existing contract with G4S expires on December 31, 2015, and although the existing contractor performs well per contract, The Car Park feels it wise to solicit proposals with a goal of improving services and finding best possible pricing. Proposals were due 12/7/15. Upon selection of a security services contractor, a new contract is anticipated to begin January 1, 2016.
2. In cooperation with The Car Park, an informal (due to the dollar amount) Invitation to Bid for installation of security cameras at each CCDC garage is being prepared and is expected to go out in mid-December. The Car Park is currently collecting technical specifications.

The Grove Plaza

1. **Operating & Maintenance** Upcoming construction on the Grove Plaza necessitates a new Operations and Maintenance Agreement with GBAD. A new agreement is being finalized with an anticipated start date of January 1, 2016.
2. **Engraved Brick Campaign** Task Order with Capitol Landscape to replace selected existing bricks in strategic downtown locations with promotional message bricks designed to increase engraved brick sales on the soon-to-be-renovated Grove Plaza.

3. **Brick by Brick** Amendment No. 1 to the Agreement with Worrell Communications to add media buying (radio / television / print ads) to the original marketing campaign.
4. **Renovation** Task Order with CSHQA for final design, permitting, construction drawings, and construction supervision, including subcontractors Waterline Studios and KPFF Consulting Engineers. This Task Order was approved by the Board at its November meeting and will take us through completion of the Grove Plaza renovations.

Downtown Holiday Lighting

Agreement with ProCare Landscaping Services for installation, removal, and storage of holiday lighting at each CCDC's six parking garages, along 8th Street, at the Grove Plaza, and at the 9th & Grove plaza.