

CAPITAL CITY DEVELOPMENT CORPORATION
Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
January 11, 2016 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 – December 2015

B. Minutes and Reports

1. Approval of Meeting Minutes from December 14, 2015

C. Other

1. Approval of Resolution 1423: T1 Participation Agreement, The 119 (NTE \$150k, 12/14/15)
2. Approval of Resolution 1424: T1 Participation Agreement, George’s Cycles (NTE \$150k, 12/14/15)

IV. **ACTION ITEM**

12:10 A. **CONSIDER:** Independent Audit of FY2015 Financial Statements (5 min)...Kevin Smith, Eide Bailly LLC

12:15 B. **CONSIDER:** Election of Officers, Approval of Executive Committee Charge, Designation of Executive Committee Members, Designation of Secretary Pro Tempore (5 min).....Chairman Hale

12:20 C. **CONSIDER:** Resolution 1427 Approval of DDA for 1401 W Idaho St, The Watercooler Project, LLC (5 min)Shellan Rodriguez

12:30 D. **CONSIDER:** GBAD Expansion Financing (10 min).....Ross Borden

12:40 E. **CONSIDER:** Trailhead Support Agreement (10 min).....John Brunelle

V. **INFORMATION/DISCUSSION ITEMS**

12:50 A. Review Downtown Boise Parking Supply/Demand Update (10 min).....Max Clark

1:00 B. Review Progress of Mobility & Parking Re-branding (15 min).....Max Clark

1:15 C. Broad Street Update (5 min).....Karl Woods


1:20 D. Operations Report (5 min).....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)] Communicate with legal counsel to discuss the legal ramifications and legal options for pending litigation or controversies not yet being litigated but imminently likely to be litigated [Idaho Code 67-2345(1)(f)]

**Capital City Development Corp
ACH & Cash Disbursements Report
For the Period 12/01/2015 through 12/31/2015**

Board Officer Review

Payee	Description	ACH Date	Amount
ABM/AMPCO Parking:			
Monthly Parkers ACH	Payments from Monthly Parkers	12/11/2015	(7,872.00)
ABM/AMPCO	Parking Operations & Admin Exp - August	12/21/2015	78,618.76
Payroll:			
EFTPS - IRS	Federal Payroll Taxes	12/9/2015	10,588.76
Idaho State Tax Commission	State Payroll Taxes	12/9/2015	2,003.00
CCDC Employees	Direct Deposits Net Pay	12/9/2015	30,994.69
PERSI	Retirement Payment	12/9/2015	10,721.42
EFTPS - IRS	Federal Payroll Taxes	12/23/2015	11,128.72
Idaho State Tax Commission	State Payroll Taxes	12/23/2015	2,163.00
CCDC Employees	Direct Deposits Net Pay	12/23/2015	34,006.57
PERSI	Retirement Payment	12/23/2015	11,396.57
Other:			
Idaho Power (autopayment)	November electricity bills - AutoPay	Various	198.09
Boise City Utility Bills	December Utilities - AutoPay	12/28/2015	554.96
Valley Regional Transit	Local Match MMC	Various	78,616.02
US Bank Credit Cards	Credit Cards	12/9/2015	3,658.65
Paid Invoice's	Other Paid Invoice's	December 2015	513,277.10
Total Paid Invoices	Total Checks and Electronic payments		<u>596,304.82</u>
Grand Totals	Total Payments		\$ <u>780,054.31</u>

Reviewed by:
Finance Director

Date:
12/31/2015

Reviewed by:
Executive Director

Date:
1/1/16

Reviewed by:
Board Member

Date:
1/1/16

Report Criteria:
Detail report type printed

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3955	A-1 Heating and Air Condit	307513	617 Ash Street Furnace Re	12/02/2015	481.00	61526	12/10/2015
	Total 3955:				481.00		
1097	Advanced Sign Design	60720-IN	Sign for Brick Program	11/30/2015	755.00	61560	12/16/2015
	Total 1097:				755.00		
1139	American Cleaning Service	46230	Trailhead Cleaning - 12 Mo	12/01/2015	892.10	61527	12/10/2015
		46311	Watercooler Cleaning & Wi	11/30/2015	1,064.00	61527	12/10/2015
	Total 1139:				1,956.10		
3838	American Fire Protection L	7492	Monthly pump inspection &	11/16/2015	185.00	61528	12/10/2015
	Total 3838:				185.00		
3493	Arbitrage Compliance Spec	G4727	Arbitrage Rebate Calculati	11/20/2015	1,400.00	61561	12/16/2015
		G4727	Arbitrage Rebate Calculati	11/20/2015	700.00	61561	12/16/2015
	Total 3493:				2,100.00		
3952	Atkinsons Mirror and Glass	135894	Fix Window at Watercooler	11/18/2015	105.96	61529	12/10/2015
	Total 3952:				105.96		
3559	Aurora Technical Consultin	2118	Cloud storage	12/01/2015	320.40	61530	12/10/2015
	Total 3559:				320.40		
3770	AutoSort Mailing Services	82142	Postage - Postcards for Gr	12/04/2015			
		82142	Postage - Postcards for Gr	12/04/2015			
		82142	Postage - Postcards for Gr	12/04/2015	.00	61562	12/16/2015
		82142	Postage - Postcards for Gr	12/04/2015			
		82142A	Postage - Postcards for Gr	12/04/2015	2,983.69	61562	12/16/2015
	Total 3770:				2,983.69		
1292	Berryhill & Co.	12111	CCDC/DBA/CoB Meeting 1	12/08/2015	36.00	61563	12/16/2015
		12115	Board Meeting lunches 12/	12/11/2015	105.50	61563	12/16/2015
	Total 1292:				141.50		
1316	Blue Cross of Idaho	1530600033	Health Insurance - Decemb	12/01/2015	18,924.96	61520	12/01/2015
	Total 1316:				18,924.96		
1376	Boise City Public Works	15-12	Brick Inserts	12/04/2015			
		15-12	Brick Inserts	12/04/2015			
		15-12	Brick Inserts	12/04/2015	.00	61564	12/16/2015
		15-12	Brick Inserts	12/04/2015			
		15-12A	Brick Inserts	12/04/2015	351.38	61564	12/16/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 1376:					351.38		
1385	Boise City Utility Billing	0447416001	848 Main St # 0447416001	12/01/2015	5.78	10178	12/28/2015
		0548469002	CD 107 S 9th-Trash serv	12/01/2015	213.88	10178	12/28/2015
		0548469002	RM 107 S 9th-Trash serv	12/01/2015	145.44	10178	12/28/2015
		0548469002	WS 107 S 9th-Trash serv	12/01/2015	68.44	10178	12/28/2015
		0584042003	1401 W Idaho St #0584042	12/01/2015	121.42	10178	12/28/2015
Total 1385:					554.96		
1418	Boise Metro Chamber of C	5761373	Newsletter Inserts - Bricks	12/01/2015			
		5761373	Newsletter Inserts - Bricks	12/01/2015			
		5761373	Newsletter Inserts - Bricks	12/01/2015	.00	61565	12/16/2015
		5761373	Newsletter Inserts - Bricks	12/01/2015			
		5761373A	Newsletter Inserts - Bricks	12/01/2015	350.00	61565	12/16/2015
Total 1418:					350.00		
1424	Boise Office Equip - Servic	IN662652	Copier maintenance	12/01/2015	308.00	61531	12/10/2015
		IN662652	excess Usage Fee	12/01/2015	360.43	61531	12/10/2015
		IN667304	Toner - Kevins Office	12/03/2015	60.00	61531	12/10/2015
Total 1424:					728.43		
1454	BOMA Boise	BS4408A	Idaho Commercial Real Est	11/23/2015	4,500.00	61532	12/10/2015
Total 1454:					4,500.00		
1556	Caselle Inc.	68844	Contract support - DECEM	12/01/2015	787.33	61521	12/01/2015
Total 1556:					787.33		
1703	CSHQA	28104	Grove Plaza Renovation D	11/30/2015	7,567.50	61566	12/16/2015
		28104	Grove Plaza Renovation D	11/30/2015	16,912.57	61566	12/16/2015
		28105	5th Street Julia Davis Park	11/30/2015	2,364.45	61533	12/10/2015
Total 1703:					26,844.52		
1787	Downtown Boise Associati	1243	CD Clean Team	11/30/2015	2,193.63	61534	12/10/2015
		1243	RM Clean Team	11/30/2015	1,491.67	61534	12/10/2015
		1243	WS Clean Team	11/30/2015	701.96	61534	12/10/2015
		1244	8th St Clean Team	11/30/2015	546.00	61534	12/10/2015
		1327	Christmas Lights	11/17/2015	1,465.31	61534	12/10/2015
Total 1787:					6,398.57		
1832	Eide Bailly LLP	EI00326416	Audit 2015	12/09/2015	27,400.00	61567	12/16/2015
Total 1832:					27,400.00		
1838	Elam & Burke P.A.	159692	Condo Declarations Clean	09/30/2015	60.00	Multiple	Multiple
		159693	401-0 Parking/Property Ma	09/30/2015	400.00	61535	12/10/2015
		159694	Carley Project	09/30/2015	91.00	61535	12/10/2015
		159695	Capps/8th & Main OPA Pa	09/30/2015	80.00	61535	12/10/2015
		159696	305-1 Ash Street Propertie	09/30/2015	200.00	61535	12/10/2015
		159697	Associated Warehouse - Af	09/30/2015	1,009.00	61535	12/10/2015

Auto Pay

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		159698	Central District Closeout	09/30/2015	40.00	61535	12/10/2015
		159700	Bank of America - LOC - C	09/30/2015	1,588.59	61535	12/10/2015
		159701	101-0 General - Public Rec	09/30/2015	40.00	61535	12/10/2015
		159703	Personnel Manual	09/30/2015	2,955.00	61535	12/10/2015
		159704	Civic Partners Default	09/30/2015	516.00	61535	12/10/2015
		159705	Courthouse Bond Redempt	09/30/2015	80.00	61535	12/10/2015
		159706	Macy's Building Renovatio	09/30/2015	60.00	61535	12/10/2015
		159707	Roost Development	09/30/2015	23.30	61535	12/10/2015
		159708	1401 W Idaho Property Dis	09/30/2015	40.00	61535	12/10/2015
		159709	Friends of the District	09/30/2015	38,151.12	61535	12/10/2015
		159710	Auditorium Expansion	09/30/2015	2,044.00	61535	12/10/2015
		159711	101-0 General	09/30/2015	1,074.05	61535	12/10/2015
		159712	401-0 Parking/Property Ma	09/30/2015	1,248.00	61535	12/10/2015
		159713	305-1 RM Implement	09/30/2015	1,961.75	61535	12/10/2015
		159714	101-0 General - Legislation	09/30/2015	940.60	61535	12/10/2015
		159715	305-2 Westside	09/30/2015	297.00	61535	12/10/2015
		160107	Ken Howell/Capital Terrace	10/31/2015	40.00	61568	12/16/2015
		160110	Associated Warehouse - Af	10/31/2015	713.50	61568	12/16/2015
		160111	Multi-Modal Center	10/31/2015	374.00	61568	12/16/2015
		160112	Central District Closeout	10/31/2015	102.00	61568	12/16/2015
		160113	Bank of America - LOC - C	10/31/2015	100.00	61568	12/16/2015
		160114	101-0 General - Public Rec	10/31/2015	293.00	61568	12/16/2015
		160116	Personnel Manual	10/31/2015	2,241.00	61568	12/16/2015
		160117	Civic Partners Default	10/31/2015	550.00	61568	12/16/2015
		160118	Roost Development	10/31/2015	374.00	61568	12/16/2015
		160119	1401 W Idaho Property Dis	10/31/2015	695.00	61568	12/16/2015
		160120	Parking Garage Accident	10/31/2015	476.00	61568	12/16/2015
		160121	GBAD Judicial Confirmatio	10/31/2015	817.63	61568	12/16/2015
		160122	GBAD Projects	10/31/2015	3,547.70	61568	12/16/2015
		160123	101-0 General	10/31/2015	701.90	61568	12/16/2015
		160124	401-0 Parking/Property Ma	10/31/2015	1,441.05	61568	12/16/2015
		160125	305-1 RM Implement	10/31/2015	1,440.05	61568	12/16/2015
		160126	101-0 General - Legislation	10/31/2015	1,050.00	61568	12/16/2015
		160129	305-2 Westside	10/31/2015	325.00	61568	12/16/2015
		Total 1838:			68,181.24		
1898	Fiberpipe	1817-17101	Email, Audio, & Domain	12/01/2015	64.90	61536	12/10/2015
		Total 1898:			64.90		
3807	FreedomVoice Systems	2015-120105	Monthly Service	11/30/2015	530.83	61537	12/10/2015
		Total 3807:			530.83		
3778	Gingerich Site & Undergro	5775	FY15 Watercooler/14th Str	11/01/2015	860.00	61538	12/10/2015
		5775	FY15 Watercooler/14th Str	11/01/2015	430.00-	61538	12/10/2015
		5795	FY15 Watercooler/14th Str	11/01/2015	60.00	61538	12/10/2015
		5795	FY15 Watercooler/14th Str	11/01/2015	370.00	61538	12/10/2015
		Total 3778:			860.00		
3931	Gjording Fouser	15281	Legal Services for Constru	11/01/2015	1,019.10	61539	12/10/2015
		Total 3931:			1,019.10		
3732	Hi Tech Color LLC	79486	Grove Chamber Flyers	11/20/2015	632.00	61569	12/16/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		79573	Grove Brick Handouts	11/25/2015	245.00	61569	12/16/2015
		79605	Postcards for Holiday Brick	12/03/2015			
		79605	Postcards for Holiday Brick	12/03/2015			
		79605	Postcards for Holiday Brick	12/03/2015	.00	61569	12/16/2015
		79605	Postcards for Holiday Brick	12/03/2015			
		79605A	Postcards for Holiday Brick	12/03/2015	1,349.00	61569	12/16/2015
		Total 3732:			2,226.00		
2129	Idaho Blueprint & Supply C	395632	Scanning for Records Proj	11/24/2015	17.00	61540	12/10/2015
		395663	Brick Program - Foam Cor	11/25/2015	90.84	61570	12/16/2015
		395667	Foam Core Boards	11/25/2015	8.03	61540	12/10/2015
		Total 2129:			115.87		
2165	Idaho Power	2200406607	9th St outlets #220040660	11/30/2015	3.54	10180	12/21/2015
		2200910368	617 S Ash #2200910368	11/30/2015	10.56	10180	12/21/2015
		2201627995	9th & State # 2201627995	11/30/2015	3.54	10179	12/18/2015
		2202934903	8th St lights #2202934903	12/04/2015	120.02	10180	12/21/2015
		2205983212	Grove Vault #2205983212	11/30/2015	60.43	10180	12/21/2015
		Total 2165:			198.09		
3900	Idaho Records Manageme	0111929	Storage & Delivery Service	11/30/2015	143.41	61541	12/10/2015
		Total 3900:			143.41		
2186	Idaho Statesman	NOV2015	Legal Notices - Parking Se	11/29/2015	54.20	61542	12/10/2015
		Total 2186:			54.20		
2240	Intermountain Gas Compa	5563033003	Watercooler Gas Bill	11/19/2015	302.96	61543	12/10/2015
		Total 2240:			302.96		
3808	Jed Split Creative	1629	Envelope Printing x2,500	12/04/2015	490.49	61571	12/16/2015
		Total 3808:			490.49		
2288	Jensen Belts	1509-7	2015 Westside Streetscap	10/31/2015	1,307.80	61572	12/16/2015
		1509-8	2015 Westside Streetscap	11/30/2015	804.80	61572	12/16/2015
		1527-7	Update Downtown Streetsc	11/30/2015	1,231.00	61572	12/16/2015
		Total 2288:			3,343.60		
3913	Kimley-Horn and Associate	191934001-1	Strategic Parking Plan	10/31/2015	3,554.68	61573	12/16/2015
		191934006-1	Idaho Power Parking Cons	10/31/2015	367.50	61573	12/16/2015
		Total 3913:			3,922.18		
3439	KPFF Consulting Engineer	19371	Capitol Terrace Parking Ga	10/30/2015	390.00	61574	12/16/2015
		Total 3439:			390.00		
3836	Langston & Associates	15.1228O	Appraisal of FACES Building	10/23/2015	3,775.00	61575	12/16/2015

Auto Pay

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3836:					3,775.00		
3950	McAlvain Construction Inc.	115013-02	Grove Pre Construction	11/30/2015	10,278.44	61576	12/16/2015
Total 3950:					10,278.44		
3954	Nampa Floors and Interiors	67128	Kitchen Floors and Laminat	11/30/2015	2,402.01	61544	12/10/2015
		G67128	Solid Surface Counter Top	12/04/2015	2,283.19	61544	12/10/2015
Total 3954:					4,685.20		
2621	Office Depot Inc.	8061681580	Misc office supplies	11/13/2015	47.16	61545	12/10/2015
		8061683140	Misc office supplies	11/13/2015	43.07	61545	12/10/2015
		8081683150	Misc office supplies	11/16/2015	29.98	61545	12/10/2015
		8061683160	Misc office supplies	11/13/2015	23.78	61545	12/10/2015
		8094976110	Misc office supplies	12/01/2015	57.88	61545	12/10/2015
Total 2621:					201.87		
3813	Oliver Russell	20910	Parking Garage - On Street	11/01/2015	7,500.00	61577	12/16/2015
		20911	Mobility Brand Strategic PI	11/01/2015	4,700.00	61577	12/16/2015
		20912	Parking Brand Strategic PI	11/01/2015	2,250.00	61577	12/16/2015
		20966	Lusk Area Communication	11/30/2015	6,000.00	61577	12/16/2015
		20967	Mobility Brand Name	11/30/2015	7,000.00	61577	12/16/2015
		20968	Mobility Brand Logo	11/30/2015	6,500.00	61577	12/16/2015
		20969	Parking Brand Name	11/30/2015	7,000.00	61577	12/16/2015
		20970	Parking Brand Logo	11/30/2015	5,000.00	61577	12/16/2015
Total 3813:					45,950.00		
3934	Pam Sheldon	INV#4	Records Project - INV#4	12/18/2015	1,300.00	61592	12/17/2015
		INVOICE #3	Records Project	11/30/2015	1,300.00	61546	12/10/2015
Total 3934:					2,600.00		
2774	Pro Care Landscape Mana	5425	10 Barrel Winterization	11/24/2015	55.00	61547	12/10/2015
		5426	617 Ash Street	11/24/2015	213.00	61547	12/10/2015
		5427	2015 Holiday Lighting - Par	11/24/2015	1,494.20	61547	12/10/2015
		5427	8th Street Corridor - Winter	11/24/2015	165.00	61547	12/10/2015
		5428	2015 Holiday Lighting - WS	11/24/2015	250.00	61547	12/10/2015
		5428	2015 Holiday Lighting - Par	11/24/2015	518.00	61547	12/10/2015
		5428	9th and Grove Plaza	11/24/2015	219.00	61547	12/10/2015
		5428	2015 Holiday Lighting - Par	11/24/2015	30.32	61547	12/10/2015
		5429	2015 Holiday Lighting - Par	11/24/2015	480.00	61547	12/10/2015
		5430	2015 Holiday Lighting - Par	11/24/2015	255.79	61547	12/10/2015
		5430	City Centre Sprinkler Winte	11/24/2015	55.00	61547	12/10/2015
		5431	2015 Holiday Lighting - Par	11/24/2015	984.78	61547	12/10/2015
		5431	Eastman Sprinkler Winteriz	11/24/2015	55.00	61547	12/10/2015
		5432	2015 Holiday Lighting - Par	11/24/2015	2,967.64	61547	12/10/2015
		5432	Grove Plaza Sprinklers Blo	11/24/2015	85.00	61547	12/10/2015
		5433	2015 Holiday Lighting - Par	11/24/2015	255.80	61547	12/10/2015
		5434	Pioneer Street Green	11/24/2015	244.00	61547	12/10/2015
Total 2774:					8,327.53		
3938	Pusher Construction Inc.	DRAW#2	Pioneer Pathway Phase 3	11/25/2015	161,595.00	61548	12/10/2015

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
Total 3938:					161,595.00		
2798	Quadrant Consulting Inc.	8524	RMOB - SS Projects - Con	11/20/2015	1,363.31	61578	12/16/2015
		8525	Westside CA and Staking	11/20/2015	4,605.95	61578	12/16/2015
		8550	RMOB - SS Projects - Con	11/30/2015	2,755.00	61578	12/16/2015
Total 2798:					8,724.26		
2801	Quality Electric Inc.	ISV6938	Trailhead Electrical Update	11/09/2015	1,469.00	61579	12/16/2015
Total 2801:					1,469.00		
3896	Rim View LLC	DECEMBER	Monthly Rent and NNN - Tr	12/01/2015	12,210.00	61522	12/01/2015
Total 3896:					12,210.00		
2888	Roper Investments	NOVEMBER	Capitol Terrace Condo billi	11/30/2015	3,839.53	61549	12/10/2015
Total 2888:					3,839.53		
3542	Security LLC - Plaza 121	DECEMBER	Office rent - December 201	12/01/2015	9,884.61	61523	12/01/2015
Total 3542:					9,884.61		
2969	Sherman & Howard L.L.C.	SERIES 201	Series 2015 Bond Counsel	09/30/2015	40,485.91	Multiple	Multiple
Total 2969:					40,485.91		
3831	The Land Group Inc.	0135442	Pioneer Pathway - Phase 3	11/30/2015	1,770.38	61580	12/16/2015
Total 3831:					1,770.38		
3953	TIH BoDO LLC	REIMBURSE	Overpayment - Incorrect In	11/01/2015	701.60	61550	12/10/2015
Total 3953:					701.60		
3907	Total System Services	91493	HVAC Agreement @ Trailh	11/12/2015	99.56	61551	12/10/2015
Total 3907:					99.56		
3923	Trailhead	1095	Boise City Utility Billing - 10	11/30/2015	61.35	61552	12/10/2015
		1095	Idaho Power - 10/05/2015	11/30/2015	306.49	61552	12/10/2015
		1095	Boise City Utility Billing - 11	11/30/2015	18.43	61552	12/10/2015
		1095	Idaho Power - 11/04/2015	11/30/2015	252.08	61552	12/10/2015
		1095	Intermountain Gas - 10/23/	11/30/2015	2.06	61552	12/10/2015
		1095	United Water - 11/13/15 St	11/30/2015	79.19	61552	12/10/2015
		1095	Intermountain Gas - 11/19/	11/30/2015	162.46	61552	12/10/2015
Total 3923:					882.06		
3170	Treasure Valley Coffee Inc.	2160-042838	Water & Cooler Rental	12/01/2015	87.00	61553	12/10/2015
		2160-042988	Coffee & tea	11/17/2015	157.50	61553	12/10/2015
		2160-043009	Coffee & tea	12/14/2015	79.55	61581	12/16/2015
Total 3170:					324.05		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
3819	TW Telecom	08801973	Internet & Data	11/10/2015	669.20	61554	12/10/2015
Total 3819:					669.20		
3233	United Heritage	DEC2015	Disability insurance - Dece	12/01/2015	591.87	61582	12/16/2015
Total 3233:					591.87		
3242	United Water	0600033719	Eastman office #06000337	11/13/2015	104.84	61555	12/10/2015
		0600357562	Grove & 10th #060035756	11/13/2015	92.10	61555	12/10/2015
		0600383311	6th & Main St #060038331	11/12/2015	21.92	61555	12/10/2015
		0600383311	6th & Main St #060038331	12/04/2015	7.68	61583	12/16/2015
		0600459554	1401 W Idaho St #0600459	11/13/2015	53.73	61555	12/10/2015
		0600557272	503 509 Ash/Pioneer Grm 0	11/13/2015	193.94	61555	12/10/2015
		0600557272	503 509 Ash/Pioneer Grm 0	12/04/2015	8.04	61583	12/16/2015
		0600634762	617 Ash St water #060063	11/13/2015	80.12	61555	12/10/2015
		0600639143	516 S 9th St irri #06006391	11/16/2015	217.34	61555	12/10/2015
		0600639143	516 S 9th St irri #06006391	12/04/2015	10.22	61583	12/16/2015
		0800668823	437 S 9th St iri #06006688	11/13/2015	46.90	61555	12/10/2015
		0600668823	437 S 9th St iri #06006688	12/04/2015	10.22	61583	12/16/2015
		0600688451	SW 8th & Fulton #0600688	11/13/2015	30.92	61555	12/10/2015
		0600688451	SW 8th & Fulton #0600688	12/04/2015	10.22	61583	12/16/2015
		0600721753	8th & GROVE #060072175	11/13/2015	430.75	61555	12/10/2015
		0600721753	8th & GROVE #060072175	12/04/2015	24.41	61583	12/16/2015
		0600769718	1413 w Idaho St #0600776	11/13/2015	32.43	61555	12/10/2015
		0600769718	1413 w Idaho St #0600776	12/04/2015	9.31	61583	12/16/2015
		0600855412	400 S 15th St irrigation # 0	11/11/2015	30.92	61555	12/10/2015
		0600911085	280 N 8th Sprinklers #0600	11/13/2015	78.96	61555	12/10/2015
		0600911660	408 S 9th St irrigation #060	11/13/2015	127.29	61555	12/10/2015
		0600911660	408 S 9th St irrigation #060	12/04/2015	10.22	61583	12/16/2015
Total 3242:					1,632.48		
3479	US Bank - Copier Lease	292022340	Copier Contr #500-037566	12/01/2015	421.88	61524	12/01/2015
Total 3479:					421.88		
3835	US Bank - Credit Cards	11.25.2015	CA - ULI - Dana Zuckerma	11/25/2015	40.00	10171	12/09/2015
		11.25.2015	CA - Albertsons - Kicthen S	11/25/2015	15.65	10171	12/09/2015
		11.25.2015	CA - Henrikson Butler - Offi	11/25/2015	834.94	10171	12/09/2015
		11.25.2015	CA - Bleubird - Exec. Com	11/25/2015	56.64	10171	12/09/2015
		11.25.2015	CA - Chamber of Commerc	11/25/2015	45.00	10171	12/09/2015
		11.25.2015	CA - Chamber of Commerc	11/25/2015	10.00-	10171	12/09/2015
		11.25.2015	CA - Wal-Mart - Kicthen Su	11/25/2015	19.71	10171	12/09/2015
		11.25.2015	CA - Cupcake Paradise - B	11/25/2015	22.79	10171	12/09/2015
		11.25.2015	CA - Zurchers - Birthday S	11/25/2015	42.90	10171	12/09/2015
		11.25.2015	CA - Office Depot - Office	11/25/2015	.52	10171	12/09/2015
		11.25.2015	RB - GFOA - Annual Confe	11/25/2015	380.00	10171	12/09/2015
		11.25.2015	PB - Amazon.com - Toaste	11/25/2015	38.07	10171	12/09/2015
		11.25.2015	PB - Amazon.com - Micorw	11/25/2015	94.55	10171	12/09/2015
		11.25.2015	PB - Amazon.com - Kitche	11/25/2015	72.99	10171	12/09/2015
		11.25.2015	JC - GFOA - Yearly Memb	11/25/2015	150.00	10171	12/09/2015
		11.25.2015	MC - Mai Thai - Garage Ea	11/25/2015	46.16	10171	12/09/2015
		11.25.2015	BH - Shell Oil - Gas for Toy	11/25/2015	27.03	10171	12/09/2015
		11.25.2015	BH - PODS - Storage - WS	11/25/2015	176.14	10171	12/09/2015
		11.25.2015	DL - Chamber of Comm. -	11/25/2015	35.00	10171	12/09/2015
		11.25.2015	DL - Wal-Mart - Kicthen Su	11/25/2015	11.24	10171	12/09/2015

CC

Vendor Number	Name	Invoice Number	Description	Invoice Date	Check Amount	Check Number	Check Issue Date
		11.25.2015	KM - Deluxe Checks - AP	11/25/2015	301.20	10171	12/09/2015
		11.25.2015	SR - City Club of Boise	11/25/2015	18.00	10171	12/09/2015
		11.25.2015	LW - Berryhill - Company	11/25/2015	92.62	10171	12/09/2015
		11.25.2015	LW - Idaho Statesman - Bri	11/25/2015	573.75	10171	12/09/2015
		11.25.2015	LW - Idaho Statesman - Bri	11/25/2015	573.75	10171	12/09/2015
	Total 3835:				3,658.65		
3864	USI Idaho Kibble & Prentic	1752788	FY2016 Professional Liabili	11/18/2015	1,425.00	61584	12/16/2015
	Total 3864:				1,425.00		
3266	Valley Regional Transit	17660	Local Capital - October- M	10/31/2015	33,311.09	10173	12/11/2015
		17767	Local Capital - November -	11/30/2015	45,304.93	10177	12/18/2015
	Total 3266:				78,616.02		
3841	VoiceText Communications	10.30.15-115	Conference calls	11/30/2015	6.55	61585	12/16/2015
		10.31.15-105	Conference calls	10/31/2015	5.36	61556	12/10/2015
	Total 3841:				11.91		
3365	Westerberg & Associates	180	Legislative Advisement Ser	11/30/2015	2,000.00	61557	12/10/2015
	Total 3365:				2,000.00		
3374	Western States Equipment	WO0701010	Bldg 8 generator inspection	10/31/2015	290.63	61558	12/10/2015
		WO0701012	Bldg 8 generator inspection	11/24/2015	290.63	61558	12/10/2015
	Total 3374:				581.26		
3852	Worrell Communications L	3057	Executive speaker training	11/30/2015	812.50	61559	12/10/2015
		3061	Strategic Communications	11/30/2015	1,250.00	61586	12/16/2015
		3061	The Grove Brick Program	11/30/2015	5,016.99	61586	12/16/2015
		3061	The Grove Brick Program	11/30/2015	2,296.79	61586	12/16/2015
		3063	West End Strategic Comm	11/30/2015	438.00	61559	12/10/2015
		3063	West End Strategic Comm	11/30/2015	562.00	61559	12/10/2015
	Total 3852:				10,376.28		
3419	Zimmer Gunsul Frasca Arc	95980.00	Grove Plaza	11/09/2015	8,786.01	61587	12/16/2015
		95980.00	Grove Plaza - Adjust	11/09/2015	7,981.41-	61587	12/16/2015
	Total 3419:				804.60		
	Grand Totals:				596,304.82		

VRT

MINUTES OF REGULAR MEETING
BOARD OF COMMISSIONERS
CAPITAL CITY DEVELOPMENT CORPORATION
121 N. 9th St., Conference Room
Boise, ID 83702
December 14, 2015 12:00 p.m.

I. CALL TO ORDER:

Chairman Hale convened the meeting with a quorum at 12:04 p.m.

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

Agency staff members present were: John Brunelle, Executive Director; Todd Bunderson, Development Director; Max Clark, Parking and Facilities Director; Ross Borden, Finance Director; Mary Watson, Contracts Specialist; Doug Woodruff, Project Manager; Shellan Rodriguez, Project Manager; Laura Williams, Project Specialist; Céline Acord, Administrative Project Assistant; and Lindsey Jackson, Administrative Assistant. Also present was Agency legal counsel, Ryan Armbruster.

II. AGENDA CHANGES/ADDITIONS:

There were no changes/additions to the agenda.

III. CONSENT AGENDA:

Commissioner Zuckerman moved to approve consent agenda. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 8-0.

- 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

A. PUBLIC COMMENT: Monthly Parking Rate Increase

This is the time and place for public comment on the proposal to increase the rates of the monthly parking permits in the public garages owned by the Urban Renewal Agency of Boise City. By way of background, monthly parking rates in these public garages have not changed since 2008, and the Agency Board at its meeting of November 9, 2015, received a report

concerning the proposed rate change and authorized Agency staff to distribute, publish, and circulate the proposed rate changes. Agency then took steps to publish notice of the rate change and advise monthly parkers and other interested parties of this date as the date for any person to provide comment regarding the rate changes.

Max Clark, CCDC Parking and Facilities Director, give a brief overview of the rate increase tentatively approved by the Board. Max Clark gave a PowerPoint presentation on the parking system and the rate proposal. There were no questions from Board members.

Chairman Hale then called for any public comment.

Clay Carly, 106 N. 6th St Boise property owner, spoke in favor of the increase. He also spoke in favor that the increase should be more and the hourly and daily rates be increased as well; in order to build a privately owned parking garage.

Chairman Hale then closed the public comment.

B. CONSIDER: Resolution 1419 Approve Monthly Parking Rate Increase

Max Clark, CCDC Parking and Facilities Director, reviewed the proposed resolution.

Commissioner Zuckerman moved to adopt Resolution No. 1419 authorizing monthly parking rate increases of \$35 and \$20 in the six CCDC parking garages. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 8-0.

C. CONSIDER: Resolution 1422 Approval of DDA for 1401 W Idaho St to Water Cooler, LLC

Shellan Rodriguez, CCDC Project Manager, gave a report.

Mike Brown, representing LocalConstruct, also gave a report.

Commissioner Zuckerman moved to adopt Resolution No. 1422 to authorize the Executive Director to execute the DDA and all associated documents as required to implement the Agreement with the addition to amend section 3.3 third sentence to add the three words at the end of the second sentence "upon board approval." Commissioner Eberle seconded the motion. After discussion, a roll call vote was taken:

Commissioner Eberle; Nay
Commissioner Hale; Nay
Commissioner Zuckerman; Aye
Commissioner Shalz; Nay
Commissioner Pearson; Nay
Commissioner Woodings; Nay
Commissioner McLean; Nay
Commissioner Bieter; Nay

1 Aye 7 Nay. The Motion did not carry.

Commissioner Eberle moved to remand the DDA back to staff and work with the developer to come up with a revised proposal by the next board meeting January 11th 2016. Commissioner McLean seconded the motion.

All said Aye. The motion carried 8-0 [**confirm**].

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

Doug Woodruff, CCDC Project Manager, gave a report.

Commissioner Zuckerman moved 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. Commissioner Bieter seconded the motion.

All said Aye. The motion carried 8-0.

Chairman Hale called for a five minute break. The meeting reconvened at 1:39 p.m.

E. CONSIDER: Resolution 1421 First Amendment to The Grove Plaza Renovation CM/GC Contract with McAlvain Construction

Doug Woodruff, CCDC Project Manager, gave a report.

Commissioner Zuckerman moved to adopt Resolution 1421 authorizing the amendment of The Grove Plaza renovation CMGC contract. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 8-0.

F. CONSIDER: Resolution 1409 CCDC Personnel Manual Update

Ross Borden, CCDC Finance Director, gave a report.

Commissioner Zuckerman moved to adopt Resolution 1409 to incorporate the presented updates and any minor production edits into the Agency Personnel Manual. Commissioner Eberle seconded the motion.

All said Aye. The motion carried 8-0.

V. INFORMATION/DISCUSSION ITEMS:

A. Trailhead Report

Raino Zoller, Director of Trailhead, gave a report.

B. The Grove Plaza Project Schedule and Initial Budget

Doug Woodruff, CCDC Project Manager, gave a report

C. T1 Designation for The 119

Shellan Rodriguez, CCDC Project Manager, gave a report.

D. T1 Designation for George's Cycles

Shellan Rodriguez, CCDC Project Manager, gave a report.

E. T1 Designation for Paulsen Building

Shellan Rodriguez, CCDC Project Manager, gave a report.

F. T2 Designation for Hyatt Place Hotel at 1045 Bannock St

Shellan Rodriguez, CCDC Project Manager and Scott Schoenherr, representing Rafanelli & Nahas, gave a report.

Commissioner Bieter left at 2:35

G. Operations Report

John Brunelle, CCDC Executive Director, gave a report.

VI. EXECUTIVE SESSION

A motion was made by Commissioner Eberle to go into an executive session at 2:37 p.m. to deliberate regarding acquisition of an interest in real property which is not owned by a public agency [Idaho Code 67-2345(1)(c)]. Commissioner McLean seconded the motion. A roll call vote was taken:

Commissioner Eberle Aye
Commissioner Hale Aye
Commissioner Zuckerman Aye
Commissioner Shalz Aye
Commissioner Pearson Aye
Commissioner Woodings Aye
Commissioner McLean Aye

All said Aye. The motion carried 7-0.

Discussions ensued concerning the acquisition of real property which is not owned by a public agency.

EXECUTIVE MEETING ADJOURNMENT

A motion was made by Commissioner Eberle to adjourn executive session at 3:12 p.m. and return to the public meeting. Commissioner McLean seconded the motion. A roll call vote was taken:

Commissioner Eberle; Aye
Commissioner Hale; Aye
Commissioner Zuckerman; Aye
Commissioner Shalz; Aye

Commissioner Pearson; Aye
Commissioner Woodings; Aye
Commissioner McLean; Aye

All said Aye. The motion carried 7-0.

VII. REGULAR MEETING 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. 7-0

The meeting was adjourned at 3:14 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: Resolution No. 1423 Approval of the Type 1 Streetscape Grant Participation Agreement for The One Nineteen residential condominium located at 119 S. 10th Street within the Westside Downtown URD.		Date: 1/11/2016
Staff Contact: Shellan Rodriguez	Attachments: 1) Resolution No. 1423 2) Type 1 Streetscape Grant Participation Agreement	
Action Requested: Adopt Resolution No. 1423 approving and authorizing the execution of the Type 1 Streetscape Grant Participation Agreement for The One Nineteen.		

Background:

Sawtooth Development is a real estate development firm based out of Ketchum, Idaho. They are constructing 26 luxury residences at 119 W. 10th Street, a previous surface parking lot. The project includes two levels of podium parking with four 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 streetscape improvements in the public right of way.

The One Nineteen is the residential portion of a larger phased project. The One Nineteen aims to be complete in spring of 2016. 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 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)
- 26 luxury condominiums
- 39 garage parking stalls
- Received Design Review approval: March 12, 2015

- \$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 the project's eligible costs are over \$150,000, but the request will not exceed \$150,000 as determined by the T-1 participation program. The project meets all program requirements as outlined in the program and fiscal 2016 budget resources have been approved and included in the 5 year CIP as one of two Type 1 projects contemplated 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:

Adopt Resolution No. 1423 approving and authorizing the execution of the Type 1 Streetscape Grant Participation Agreement for The One Nineteen.

Suggested Motion:

I move to adopt Resolution No. 1423 authorizing the execution of the Type1 Streetscape Grant Participation Agreement for The One Nineteen.

RESOLUTION NO. 1423

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 TYPE 1 PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND 119 BOISE, LLC; AUTHORIZING THE CHAIRMAN, VICE-CHAIRMAN, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENTS; 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, 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, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City of Boise City, Idaho ("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, 119 Boise, LLC ("119"), owns or controls certain real property (the "Site") located in the Westside Urban Renewal District ("Westside District"), as created by the Westside Plan;

WHEREAS, 119 intends on constructing a luxury condominium residential development project on the Site (the "Project");

WHEREAS, the Agency has in place a Participation Program which includes T-1 Assistance Program under which the Agency reimburses developers for construction of public improvements;

WHEREAS, the Agency has determined that it is in the public interest to enter into a Type-1 Participation Program Agreement (“Agreement”) with 119 whereby 119 will construct the Project and the Agency will reimburse 119 for constructing public improvements as specified in the Agreement;

WHEREAS, attached hereto as Attachment 1, and incorporated herein as if set forth in full, is the Type 1 Participation Agreement with 119, and exhibits thereto;

WHEREAS, the Agency deems it appropriate to approve the Agreement; and

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreements and to authorize the Chairman, Vice-Chairman or Executive Director to execute the Agreement;

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 Agreement, which is attached hereto as Attachment 1 and incorporated herein by reference, is hereby approved.

Section 3: That the Chairman, Vice-Chairman, or Executive Director of the Agency are hereby authorized to sign and enter into the Agreement and to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Agency staff and the Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from the Agency’s legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the January 11, 2016, Agency Board meeting; the Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said 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 January 11, 2016.
Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the
Board of Commissioners, on January 11, 2016.

APPROVED:

By _____
Chairman

ATTEST:
By _____
Secretary

4843-6316-6761, v. 1



TYPE 1 STREETScape GRANT PARTICIPATION AGREEMENT

THIS TYPE 1 STREETScape GRANT PARTICIPATION AGREEMENT (“Agreement”) is entered into by and between the Urban Renewal Agency of the City of Boise, also known as the Capital City Development Corporation, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Boise City, Idaho (“CCDC”) and 119 Boise, LLC. (“Participant”). CCDC and Participant may be collectively referred to as the “Parties” and individually referred to as a “Party.”

RECITALS

A. Participant owns or controls certain real property located at 119 South 10th Street, Boise, Idaho (the “Project Site”) which is more accurately depicted on attached **Exhibit A**. The Project Site is undergoing redevelopment including construction of 26 luxury condominiums (the “Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to construct certain street and streetscape improvements in the public right-of way adjacent to the Project Site (the “Streetscape Project”). The Streetscape Project is more accurately depicted on attached **Exhibit B**.

C. The CCDC Board of Commissioners and the Boise City Council have adopted the Downtown Boise Streetscape Standards – 2007 (“Streetscape Standards”) and the Downtown Boise Elements of Continuity – 2007 (“Furnishings Standards”) to govern how sidewalk improvements are designed and installed in the Boise Central, River Myrtle-Old Boise, and Westside Downtown urban renewal districts.

D. The Participant’s Project and the Streetscape Project are located in the Westside Downtown Urban Renewal District (“Westside District”). The CCDC Board of Commissioners and Boise City Council have adopted the River Myrtle-Old Boise Urban Renewal Project (the “Plan”) which includes streetscape standards for the Westside District.

E. The Streetscape Project includes improvements to the public right-of-way that are consistent with the Streetscape and Furnishing Standards in the Plan. The Streetscape Project will contribute to enhancing and revitalizing the Westside District.

F. CCDC deems it appropriate to assist the development of the Streetscape Project to achieve the objectives set forth in the Plan and in accordance with CCDC’s Participation Program.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and CCDC (last date signed) and shall continue until: 1.) the completion of all obligations of each Party; or 2.) twelve (12) months from the Effective Date, whichever comes first. At CCDC’s sole discretion an extension may be granted for a period not to exceed one year.

2. **Construction of the Streetscape Project.** Participant agrees to construct the Streetscape Project consistent with the following:

- a. The Streetscape Project shall be constructed in accordance with the overall City of Boise (“City”) infrastructure plans, policies, and design standards and with the applicable portions of the Streetscape and Furnishing Standards adopted as part of the Plan.
- b. The Parties agree that the Streetscape Project is depicted on **Exhibit B**, with cost estimates for eligible items described in the Schedule of Eligible Streetscape and Infrastructure Costs in **Exhibit C** (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, CCDC’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Streetscape Project. CCDC acknowledges that the Schedule of Eligible Streetscape and Infrastructure Costs attached as **Exhibit C** is an estimate by Contractor and that actual costs for the Streetscape Project, as well as each line item of cost, may be more or less than is shown.

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify CCDC in writing and request a final construction inspection and/or a meeting with CCDC to determine if the Streetscape Project meets the requirements of this Agreement. CCDC shall provide Participant with written confirmation that the Streetscape Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation (“Cost Documentation”) to CCDC that Participant has expended funds for eligible costs in order to receive payment under the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to CCDC that construction of the Streetscape Project is complete and shall include:

- a. Schedule of values that includes line items for the Streetscape Project improvements approved by CCDC for reimbursement so they are identifiable and separate from other line items (“Schedule of Values”).

- b. Invoices from Participant's general contractor, subcontractor(s), and material suppliers for each type of eligible cost item (e.g. concrete, pavers, benches, historic street lights). Invoices shall specify quantities and unit costs of installed materials and a percentage estimate of how much installed material was used for the Streetscape Project in comparison to the amount used for the remainder of Participant's project ("Invoices").
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit C** and the actual costs in the Cost Documentation as requested by CCDC.
- d. Additional documentation or clarifications may be required and requested by CCDC.

CCDC shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs, and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to CCDC prior to construction. In the event Participant fails to timely deliver the Cost Documentation, CCDC may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, CCDC's payment obligations under this Agreement may be terminated in CCDC's sole discretion.

Within thirty (30) calendar days of CCDC's receipt of the Cost Documentation, CCDC will notify Participant in writing of CCDC's acceptance or rejection of the Cost Documentation and CCDC's determination of the Actual Eligible Costs to be reimbursed. CCDC shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit C**. IN NO EVENT SHALL THE TOTAL FOR THE ACTUAL ELIGIBLE COSTS EXCEED THE AMOUNT ALLOWED BY SECTION 6.

If Participant disagrees with CCDC's calculation of the Actual Eligible Costs, Participant must respond to CCDC in writing within three (3) business days explaining why Participant believes CCDC's calculation was in error and providing any evidence to support any such contentions Participant wants CCDC to consider. CCDC shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant CCDC will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final. CCDC'S DETERMINATION OF THE ACTUAL ELIGIBLE COSTS IS WITHIN ITS SOLE DISCRETION.

6. CCDC's Reimbursement Payment Amount. In accordance with the Participation Program, CCDC agrees to reimburse Participant 100% of Actual Eligible Costs not to exceed \$150,000. Actual Eligible Costs do not include soft costs (soft costs include but are not limited to architectural and engineering design, permits, traffic control, mobilization, and overhead).

7. Conditions Precedent to CCDC's Payment Obligation. CCDC agrees to reimburse Participant in the amount as determined in compliance with Sections 2.c., 5 and 6 no later than fifteen (15) days after completion of all of the following:

- a. CCDC provides written confirmation to the Participant that the Streetscape Project has been constructed in compliance with this Agreement.
- d. CCDC receives Cost Documentation as described in Section 5 in a format acceptable to CCDC.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of CCDC's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any CCDC revenues for the River Myrtle Plan Area or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code) or any revenue from CCDC's parking garages. Notwithstanding anything to the contrary in this Agreement, the obligation of CCDC to make the payments as specified in this Agreement shall be subordinate to all CCDC obligations that have committed or in the future commit available CCDC revenues, including but not limited to revenue from any Revenue Allocation Area or any revenue from CCDC's parking garages, and may be subject to consent and approval by CCDC lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed and recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, CCDC (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, CCDC's obligation for payment shall be deemed

extinguished. In addition, if CCDC funds shall have been paid, Participant shall reimburse CCDC for any such funds Participant received.

10. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. No Joint Venture or Partnership. CCDC and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making CCDC and Participant a joint venture or partners.

12. Successors and Assignment. This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of CCDC, at CCDC's sole discretion which cannot be reasonably denied.

13. Notices and Receipt. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express) with postage or delivery charges prepaid and return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant: Clayton Sammis, Chief Operating Officer
119 Boise, LLC
491 N Main Street, Suite 201
Ketchum, Idaho 83340
859-259-2025
clay@sawtoothdevelopment.com

If to CCDC: John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702
208-384-4264
jbrunelle@ccdco Boise.com

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A	Project Site Map
Exhibit B	Streetscape Project Plan
Exhibit C	Schedule of Eligible Streetscape and Infrastructure Costs

16. Indemnification. Participant shall indemnify and hold CCDC 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 CCDC or its respective officers, agents, and employees relating to the construction or design of the Streetscape Project or otherwise arising out of Participant’s actions or inactions. In the event an action or proceeding is brought against CCDC or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from CCDC shall, at Participant’s expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold CCDC 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 CCDC or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

18. Maintenance. Participant recognizes CCDC has no specific authority to accept maintenance responsibility of the Streetscape Project or any improvements constructed by Participant and that no agreement has been reached with CCDC or City to accept any maintenance obligations for such improvements.

19. Promotion of Project. Participant agrees CCDC may promote the Streetscape Project and CCDC’s involvement with the Streetscape Project. Such promotion includes reasonable signage at the Site notifying the public of CCDC’s involvement with the Streetscape Project.

End of Agreement
[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement with an Effective Date as of the last date written below.

CCDC:

CCDC: the urban renewal agency of the City of Boise, a public body, corporate and politic

John Brunelle, Executive Director

Date _____

PARTICIPANT:

119 Boise, LLC

Clayton Sammis, Chief Operating Officer

Date _____

APPROVED AS TO FORM

Exhibits

- A: Project Site
- B: Streetscape Project
- C: Schedule of Eligible Streetscape and Infrastructure Costs

Exhibit A: Project Site Map

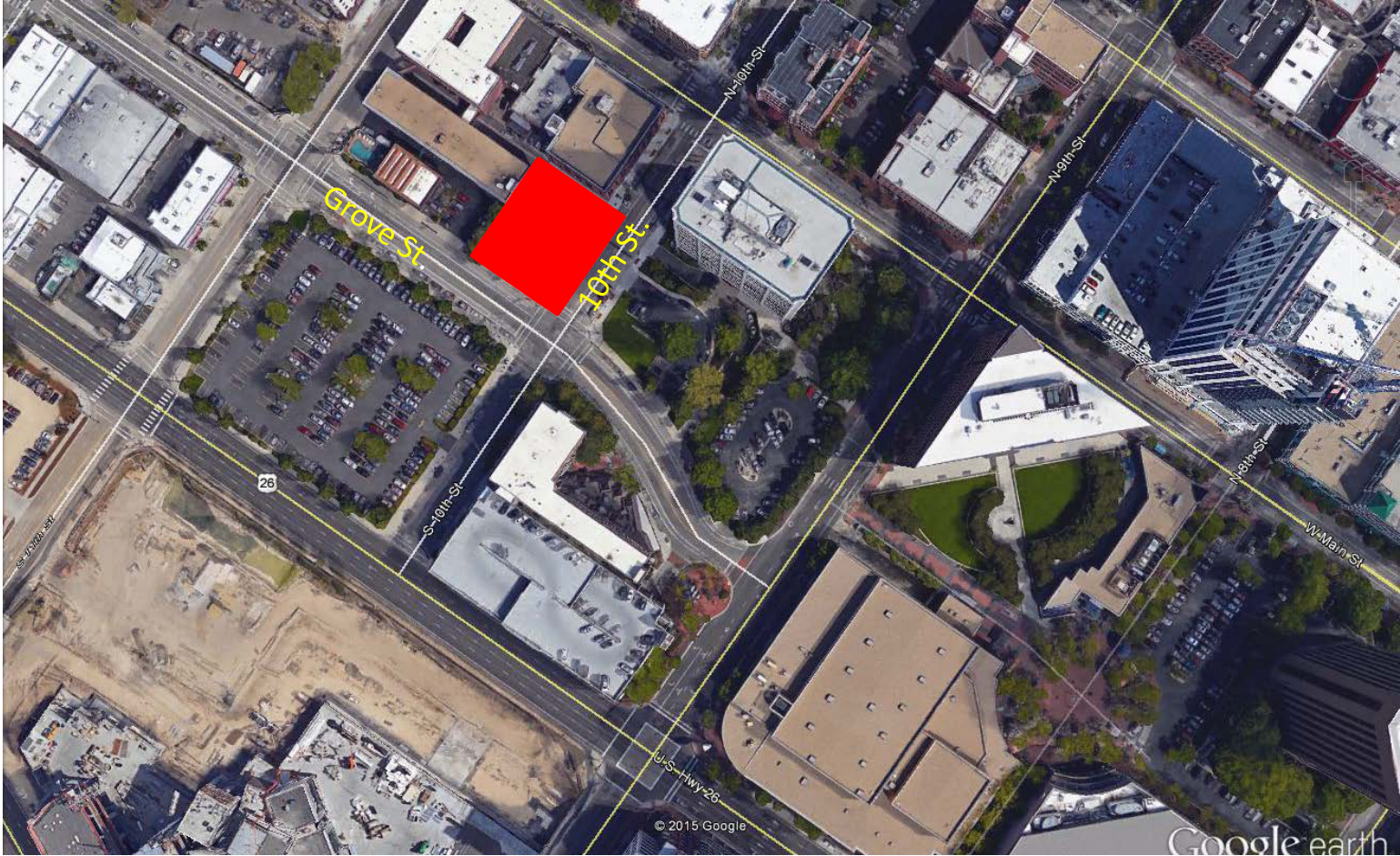


Exhibit B: Streetscape Project Plan

119 Boise, LLC (OneNineteen Condos)
STREETSCAPE IMPROVEMENT PLAN

NOTES:
1 - STREETSCAPES WILL
CONFORM WITH CITY OF
BOISE STREETSCAPE
STANDARDS AND
MANUAL.

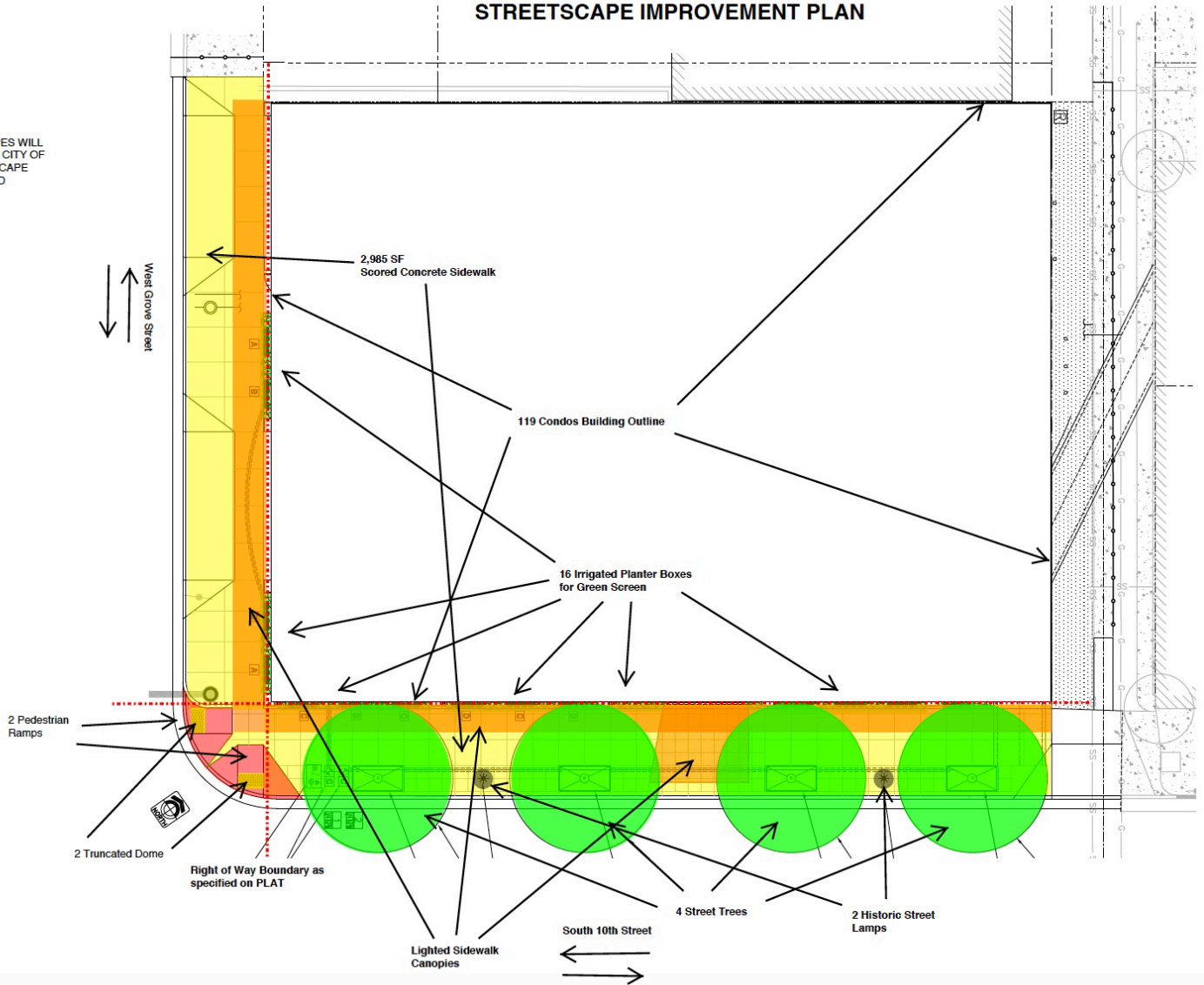


Exhibit C: Schedule of Eligible Costs

CCDC Participation Program T1 Eligible Costs Application Form Actual Eligible Costs To Be Determined by CCDC						
Project Name: Residences at 119		Date: 12/3/2015	By: CSDI Construction, Inc.			
STREETSCAPE: (In right-of-way)						
	UNIT	UNIT PRICE	QUANTITY	TOTAL COST*	Alloc. %²	Allocation
SITE PREPARATION: Lot size vs ROW						
Surface demolition	LS	15,415	1	17,265	30%	5,179
Asphalt demolition	SF	0.36	6,452	2,572	30%	771
Curb and gutter demolition	LF	10	287	3,091	100%	3,091
Saw cut	LF	6	94	605	100%	605
Replace subbase	SF	2	2,985	5,349	30%	1,605
Stand alone tree removal	EA	880	3	2,958	100%	2,958
SubTotal				31,840		14,210
SIDEWALK WORK:						
Scored concrete sidewalk	SF	4	2,985	14,562	100%	14,562
Dry laid brick						
Pedestrian ramp	EA	650	2	1,456	100%	1,456
Truncated dome	EA	400	2	896	100%	896
Lawn parkway						
Irrigation	Ea	3,000	1	3,360	100%	3,360
SubTotal				20,274		20,274
OTHER:						
Asphalt repair	LS	6,500	1	7,280	100%	7,280
Concrete curb cut	LF	2	253	567	100%	567
Vertical curb and gutter (6")	LS	5,908	1	6,617	100%	6,617
Meyers cabinet						
SubTotal				14,464		14,464
SITUATIONAL FURNISHINGS:						
Street trees and landscaping related costs	EA	2,974	4	13,324	100%	13,324
Tree grates & frames	EA	250	4	1,120	100%	1,120
Trench drain cover						
Historic street light	EA	4,683	2	10,490	100%	10,490
Bench						
Bike rack						
Litter receptacle						
Pre-cast planter						
SubTotal				24,933		24,933
OTHER:						
Streetscape enhancement and "Green Screen"	LS	83,778	1	83,778	50%	41,889
Sidewalk Awnings	LS	52,845	1	52,845	100%	52,845
Easement purchase from ACHD	EA	1,336	1	1,336	100%	1,336
Contingency	EA	181,459	0.05	9,073	100%	9,073
General Contractor General Conditions	LS	11,508	1	11,508	100%	11,508
SubTotal				183,473		116,651
TOTAL ELIGIBLE COSTS:					73,881	190,532
Important Note:						
Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.						
* Includes contractor GC fee of 12%						
² - Site Prep prorated based upon footprint of lot (11,500 Lot/5,000 ROW). Other allocations based upon 50% of cost being in ROW						



AGENDA BILL

Agenda Subject: Resolution No. 1424 Approval of the Type 1 Streetscape Grant Participation Agreement for George's Cycles & Fitness located at 312 S. 3 rd Street within the River Myrtle URD.		Date: 1/11/2016
Staff Contact: Shellan Rodriguez	Attachments: 1) Resolution No. 1424 2) Type 1 Streetscape Grant Participation Agreement	
Action Requested: Adopt Resolution No. 1424 approving and authorizing the execution of the Type 1 Streetscape Grant Participation Agreement for George's Cycles & Fitness.		

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 and built in 1949. This building will be renovated to become the business's sole location. 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 later this month. The streetscapes were designed and approved by City of Boise 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 property, 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, public bike station, permeable pavers, and landscaping. The project is requesting approximately \$143,175 of eligible expenses.

Project Summary:

- Located 3rd and Broad Street (River Myrtle URA/ LIV District)
- 23,000 SF of retail space
- 7 parking spaces
- Approved December 18th 2014, Design Review
- \$1.3 Million estimated Total Development Costs

Fiscal Notes:

Preliminary information indicates the project will be requesting \$143,175.

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:

Adopt Resolution No. 1424 approving and authorizing the execution of the Type 1 Streetscape Grant Participation Agreement for George's Cycles & Fitness.

Suggested Motion:

I move to adopt Resolution # 1424 authorizing the execution of the Type1 Streetscape Grant Participation Agreement for George's Cycles & Fitness.

RESOLUTION NO. 1424

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 TYPE 1 PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND PLATT AND COOLEY, LLC; AUTHORIZING THE CHAIRMAN, VICE-CHAIRMAN, OR EXECUTIVE DIRECTOR TO EXECUTE THE AGREEMENT AND ANY NECESSARY DOCUMENTS, SUBJECT TO CERTAIN CONTINGENCIES; AUTHORIZING ANY TECHNICAL CORRECTIONS TO THE AGREEMENTS; 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, 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, and the Local Economic Development Act, being Idaho Code, Title 50, Chapter 29, as amended and supplemented for the purpose of financing the undertaking of any urban renewal project (collectively the "Act");

WHEREAS, the City of Boise, Idaho (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, Platt and Cooley, LLC("Georges"), owns or controls certain real property (the "Site") located in the River Myrtle-Old Boise Urban Renewal District ("River Myrtle District"), as created by the River Myrtle-Old Boise Plan;

WHEREAS, Georges intends on renovating a building and relocating its existing retail bicycle store to the Site (the “Project”);

WHEREAS, the Agency has in place a Participation Program which includes T-1 Assistance Program under which the Agency reimburses developers for construction of public improvements;

WHEREAS, the Agency has determined that it is in the public interest to enter into a Type-1 Participation Program Agreement (“Agreement”) with Georges whereby Georges will construct the Project and the Agency will reimburse Georges for constructing public improvements as specified in the Agreement;

WHEREAS, attached hereto as Attachment 1, and incorporated herein as if set forth in full, is the Type 1 Participation Agreement with Georges, and exhibits thereto;

WHEREAS, the Agency deems it appropriate to approve the Agreement; and

WHEREAS, the Board of Commissioners finds it in the best public interest to approve the Agreements and to authorize the Chairman, Vice-Chairman or Executive Director to execute the Agreement;

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 Agreement, which is attached hereto as Attachment 1 and incorporated herein by reference, is hereby approved.

Section 3: That the Chairman, Vice-Chairman, or Executive Director of the Agency are hereby authorized to sign and enter into the Agreement and to execute all necessary documents required to implement the actions contemplated by the Agreement, subject to representations by the Agency staff and the Agency legal counsel that all conditions precedent to such actions have been met; and further, any necessary technical changes to the Agreement or other documents are acceptable, upon advice from the Agency’s legal counsel that said changes are consistent with the provisions of the Agreement and the comments and discussions received at the January 11, 2016, Agency Board meeting; the Agency is further authorized to appropriate any and all funds contemplated by the Agreement and to perform any and all other duties required pursuant to said 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 January 11, 2016.
Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the
Board of Commissioners, on January 11, 2016.

APPROVED:

By _____
Chairman

ATTEST:
By _____
Secretary

4823-5410-4876, v. 1



TYPE 1 STREETScape GRANT PARTICIPATION AGREEMENT

THIS TYPE 1 STREETScape GRANT PARTICIPATION AGREEMENT (“Agreement”) is entered into by and between the Urban Renewal Agency of the City of Boise, also known as the Capital City Development Corporation, an independent public body, corporate and politic, organized and existing under the laws of the State of Idaho and known as the urban renewal agency of the City of Boise City, Idaho (“CCDC”) and Platt and Cooley, LLC (“Participant”). CCDC and Participant may be collectively referred to as the “Parties” and individually referred to as a “Party.”

RECITALS

A. Participant owns or controls certain real property located at 312 S. 3rd Street, Boise, Idaho (the “Project Site”) which is more accurately depicted on attached **Exhibit A**. The Project Site is undergoing redevelopment including remodeling of a 23,000 SF warehouse into a retail space for Participant’s business, George’s Cycles & Fitness (the “Participant’s Project”).

B. As part of the Participant’s Project, Participant intends to construct certain street and streetscape improvements in the public right-of way adjacent to the Project Site (the “Streetscape Project”). The Streetscape Project is more accurately depicted on attached **Exhibit B**.

C. The CCDC Board of Commissioners and the Boise City Council have adopted the Downtown Boise Streetscape Standards – 2007 (“Streetscape Standards”) and the Downtown Boise Elements of Continuity – 2007 (“Furnishings Standards”) to govern how sidewalk improvements are designed and installed in the Boise Central, River Myrtle-Old Boise, and Westside Downtown urban renewal districts.

D. The Participant’s Project and the Streetscape Project are located in the River Myrtle-Old Boise Urban Renewal District (“River Myrtle District”). The CCDC Board of Commissioners and Boise City Council have adopted the River Myrtle-Old Boise Urban Renewal Project (the “Plan”) which includes streetscape standards for the River Myrtle District.

E. The Streetscape Project includes improvements to the public right-of-way that are consistent with the Streetscape and Furnishing Standards in the Plan. The Streetscape Project will contribute to enhancing and revitalizing the River Myrtle District.

F. CCDC deems it appropriate to assist the development of the Streetscape Project to achieve the objectives set forth in the Plan and in accordance with CCDC’s Participation Program.

AGREEMENTS

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement; the mutual covenants contained herein; and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall be the date when this Agreement has been signed by the Participant and CCDC (last date signed) and shall continue until: 1.) the completion of all obligations of each Party; or 2.) twelve (12) months from the Effective Date, whichever comes first. At CCDC’s sole discretion an extension may be granted for a period not to exceed one year.

2. **Construction of the Streetscape Project.** Participant agrees to construct the Streetscape Project consistent with the following:

- a. The Streetscape Project shall be constructed in accordance with the overall City of Boise (“City”) infrastructure plans, policies, and design standards and with the applicable portions of the Streetscape and Furnishing Standards adopted as part of the Plan.
- b. The Parties agree that the Streetscape Project is depicted on **Exhibit B**, with cost estimates for eligible items described in the Schedule of Eligible Streetscape and Infrastructure Costs in **Exhibit C** (“Estimated Eligible Costs”). Any other public improvements that are constructed by the Participant as part of the Participant’s Project are not eligible for reimbursement pursuant to this Agreement. Additionally, CCDC’s reimbursement obligation is limited to the amount set forth in Section 6 of this Agreement.

3. **Initial Construction Funding.** Participant shall pay for all of the costs of construction for the Streetscape Project. CCDC acknowledges that the Schedule of Eligible Streetscape and Infrastructure Costs attached as **Exhibit C** is an estimate by Contractor and that actual costs for the Streetscape Project, as well as each line item of cost, may be more or less than is shown

4. **Notification of Completion; Inspection.** Upon completion of construction, Participant shall notify CCDC in writing and request a final construction inspection and/or a meeting with CCDC to determine if the Streetscape Project meets the requirements of this Agreement. CCDC shall provide Participant with written confirmation that the Streetscape Project has been completed in compliance with this Agreement.

5. **Determining Actual Payment after Completion of Construction.** Participant shall provide appropriate documentation (“Cost Documentation”) to CCDC that Participant has expended funds for eligible costs in order to receive payment under the terms of this Agreement. Any Cost Documentation shall be submitted within thirty (30) days of Participant’s notification to CCDC that construction of the Streetscape Project is complete and shall include:

- a. Schedule of values that includes line items for the Streetscape Project improvements approved by CCDC for reimbursement so they are identifiable and separate from other line items (“Schedule of Values”).

- b. Invoices from Participant's general contractor, subcontractor(s), and material suppliers for each type of eligible cost item (e.g. concrete, pavers, benches, historic street lights). Invoices shall specify quantities and unit costs of installed materials and a percentage estimate of how much installed material was used for the Streetscape Project in comparison to the amount used for the remainder of Participant's project ("Invoices").
- c. Explanation of any significant deviation between the initial cost estimates in **Exhibit C** and the actual costs in the Cost Documentation as requested by CCDC.
- d. Additional documentation or clarifications may be required and requested by CCDC.

CCDC shall have the right to review the Cost Documentation and to obtain independent verification that the quantities of work claimed, the unit costs, and the total costs for eligible costs are commercially reasonable and consistent with the cost estimates provided by Participant to CCDC prior to construction. In the event Participant fails to timely deliver the Cost Documentation, CCDC may, in its discretion, elect to terminate its payment obligations under this Agreement by providing Participant with written notice of such default. Participant shall have thirty (30) days from such written notice to cure the default. In the event Participant fails to cure such a default, CCDC's payment obligations under this Agreement may be terminated in CCDC's sole discretion.

Within thirty (30) calendar days of CCDC's receipt of the Cost Documentation, CCDC will notify Participant in writing of CCDC's acceptance or rejection of the Cost Documentation and CCDC's determination of the Actual Eligible Costs to be reimbursed. CCDC shall, in its discretion, determine the Actual Eligible Costs following its review of the Cost Documentation, verification of the commercial reasonableness of the costs and expenses contained in such Cost Documentation, and comparison of the amounts in the Cost Documentation to the amounts in **Exhibit C**. IN NO EVENT SHALL THE TOTAL FOR THE ACTUAL ELIGIBLE COSTS EXCEED THE AMOUNT ALLOWED BY SECTION 6.

If Participant disagrees with CCDC's calculation of the Actual Eligible Costs, Participant must respond to CCDC in writing within three (3) business days explaining why Participant believes CCDC's calculation was in error and providing any evidence to support any such contentions Participant wants CCDC to consider. CCDC shall respond to Participant within three (3) business days with a revised amount for the Actual Eligible Costs or notifying Participant CCDC will not revise the initial amount calculated. At that point, the determination of the Actual Eligible Costs will be final. CCDC'S DETERMINATION OF THE ACTUAL ELIGIBLE COSTS IS WITHIN ITS SOLE DISCRETION.

6. CCDC's Reimbursement Payment Amount. In accordance with the Participation Program, CCDC agrees to reimburse Participant 100% of Actual Eligible Costs not to exceed \$150,000. Actual Eligible Costs do not include soft costs (= soft costs include but are not limited to architectural and engineering design, permits, traffic control, mobilization, and overhead).

7. Conditions Precedent to CCDC's Payment Obligation. CCDC agrees to reimburse Participant in the amount as determined in compliance with Sections 2.c., 5 and 6 no later than fifteen (15) days after completion of all of the following:

- a. CCDC provides written confirmation to the Participant that the Streetscape Project has been constructed in compliance with this Agreement.
- d. CCDC receives Cost Documentation as described in Section 5 in a format acceptable to CCDC.

Participant's failure to comply with all Agreement provisions shall be a basis for termination of CCDC's reimbursement obligation.

8. Subordination of Reimbursement Obligations. The Parties agree this Agreement does not provide Participant with a security interest in any CCDC revenues for the River Myrtle Plan Area or any other urban renewal plan area, including but not limited to revenue from any "Revenue Allocation Area" (as defined in Title 50, Chapter 29 of the Idaho Code) or any revenue from CCDC's parking garages. Notwithstanding anything to the contrary in this Agreement, the obligation of CCDC to make the payments as specified in this Agreement shall be subordinate to all CCDC obligations that have committed or in the future commit available CCDC revenues, including but not limited to revenue from any Revenue Allocation Area or any revenue from CCDC's parking garages, and may be subject to consent and approval by CCDC lenders.

9. Default. Neither Party shall be deemed to be in default of this Agreement except upon the expiration of forty-five (45) days [ten (10) days in the event of failure to pay money] from receipt of written notice from the other Party specifying the particulars in which such Party has failed to perform its obligations under this Agreement unless such Party, prior to expiration of said 45-day period [ten (10) days in the event of failure to pay money], has rectified the particulars specified in said notice of default. In the event of a default, the nondefaulting Party may do the following:

- a. The nondefaulting Party may terminate this Agreement upon written notice to the defaulting Party and recover from the defaulting Party all direct damages incurred by the nondefaulting Party.
- b. The nondefaulting Party may seek specific performance of those elements of this Agreement which can be specifically performed and recover all damages incurred by the nondefaulting Party. The Parties declare it to be their intent that elements of this Agreement requiring certain actions be taken for which there are not adequate legal remedies may be specifically enforced.
- c. The nondefaulting Party may perform or pay any obligation or encumbrance necessary to cure the default and offset the cost thereof from monies otherwise due the defaulting Party or recover said monies from the defaulting Party.
- d. The nondefaulting Party may pursue all other remedies available at law, it being the intent of the Parties that remedies be cumulative and liberally enforced so as to adequately and completely compensate the nondefaulting Party.
- e. In the event Participant defaults under this Agreement, CCDC (the nondefaulting Party) shall have the right to suspend or terminate its payment under this Agreement, as more specifically defined in this Agreement, for so long as the default continues and if not cured, CCDC's obligation for payment shall be deemed

extinguished. In addition, if CCDC funds shall have been paid, Participant shall reimburse CCDC for any such funds Participant received.

10. Captions and Headings. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants, conditions, or agreements contained herein.

11. No Joint Venture or Partnership. CCDC and Participant agree that nothing contained in this Agreement or in any document executed in connection with this Agreement shall be construed as making CCDC and Participant a joint venture or partners.

12. Successors and Assignment. This Agreement is not assignable except that the Participant may assign Participant's rights or obligations under this Agreement to a third party only with the written approval of CCDC, at CCDC's sole discretion which cannot be reasonably denied.

13. Notices and Receipt. All notices given pursuant to this Agreement shall be in writing and shall be given by personal service, by United States mail, or by United States express mail or other established express delivery service (such as Federal Express) with postage or delivery charges prepaid and return receipt requested, or by electronic mail (e-mail) addressed to the appropriate Party at the address set forth below:

If to Participant: Tom Platt, Member
Platt and Cooley, LLC
319 E 41st Street
Garden City, ID 83714
208-331-4000
tplatt@georgescycles.com

If to CCDC: John Brunelle, Executive Director
Capital City Development Corporation
121 N. 9th Street, Suite 501
Boise, Idaho 83702
208-384-4264
jbrunelle@ccdcoise.com

14. Applicable Law/Attorney Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of Idaho. Should any legal action be brought by either Party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing Party shall be entitled to reasonable attorney fees, court costs, and such other costs as may be found by the court.

15. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties. Exhibits to this Agreement are as follows:

Exhibit A	Project Site Map
Exhibit B	Streetscape Project Plan
Exhibit C	Schedule of Eligible Streetscape and Infrastructure Costs

16. Indemnification. Participant shall indemnify and hold CCDC 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 CCDC or its respective officers, agents, and employees relating to the construction or design of the Streetscape Project or otherwise arising out of Participant’s actions or inactions. In the event an action or proceeding is brought against CCDC or its respective officers, agents, and employees by reason of any such Claim, Participant, upon written notice from CCDC shall, at Participant’s expense, resist or defend such action or proceeding. Notwithstanding the foregoing, Participant shall have no obligation to indemnify, defend, or hold CCDC 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 CCDC or its respective officers, agents, or employees.

17. Antidiscrimination During Construction. Participant, for itself and its successors and assigns, agrees that in the rehabilitation and/or construction of improvements on the Project Site provided for in this Agreement, the Participant will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity/expression, national origin or ancestry, marital status, age, or physical disability.

18. Maintenance. Participant recognizes CCDC has no specific authority to accept maintenance responsibility of the Streetscape Project or any improvements constructed by Participant and that no agreement has been reached with CCDC or City to accept any maintenance obligations for such improvements.

19. Promotion of Project. Participant agrees CCDC may promote the Streetscape Project and CCDC’s involvement with the Streetscape Project. Such promotion includes reasonable signage at the Site notifying the public of CCDC’s involvement with the Streetscape Project.

End of Agreement
[Signatures appear on the following page.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement with an Effective Date as of the last date written below.

CCDC:

CCDC: the urban renewal agency of the City of Boise, a public body, corporate and politic

John Brunelle, Executive Director

Date _____

PARTICIPANT:

Platt and Cooley, LLC

Tom Platt, Member

Date _____

APPROVED AS TO FORM:

Exhibits

- A: Project Site
- B: Streetscape Project
- C: Schedule of Eligible Streetscape and Infrastructure Costs

Exhibit A: Project Site Map

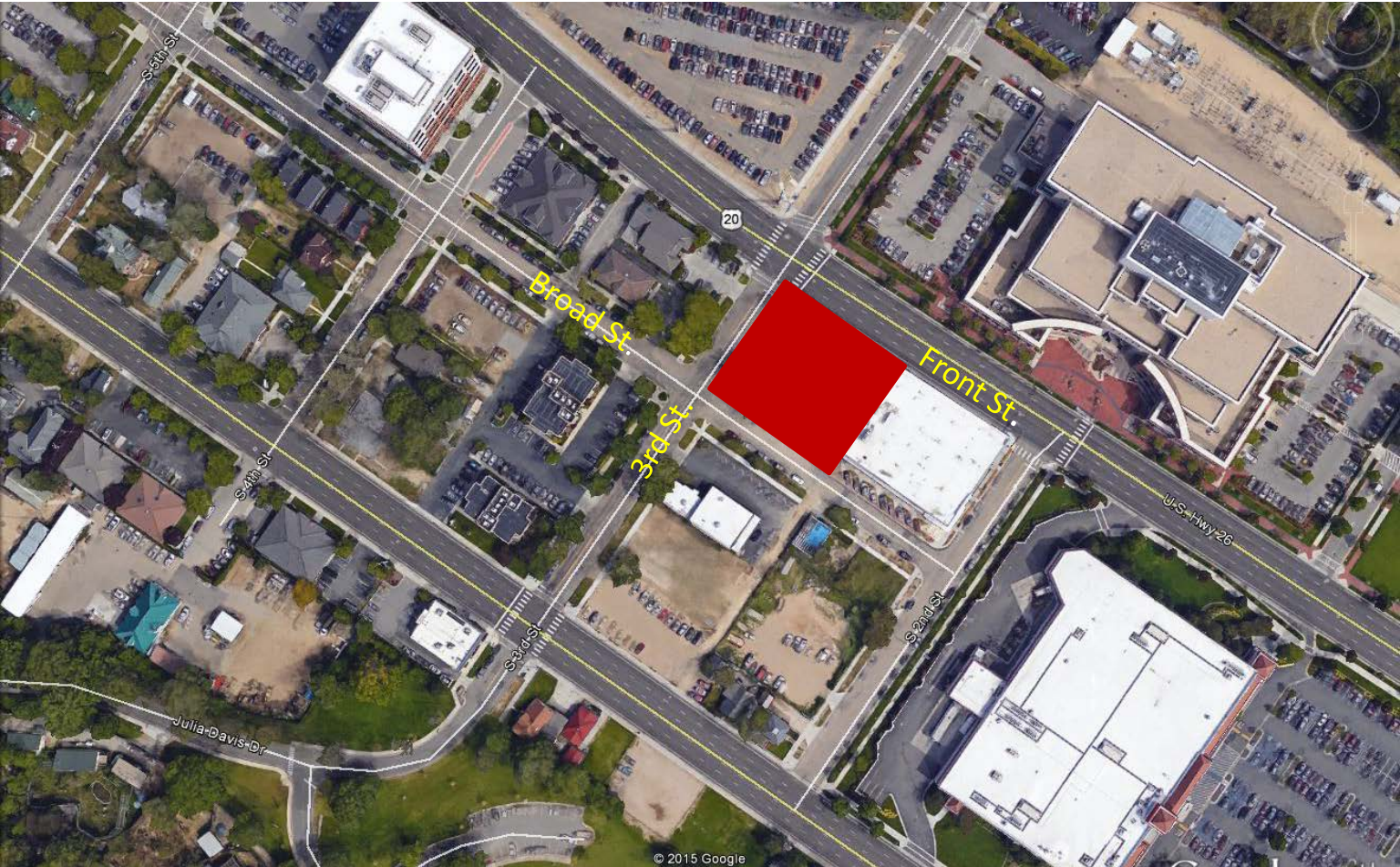


Exhibit B: Streetscape Project Plan

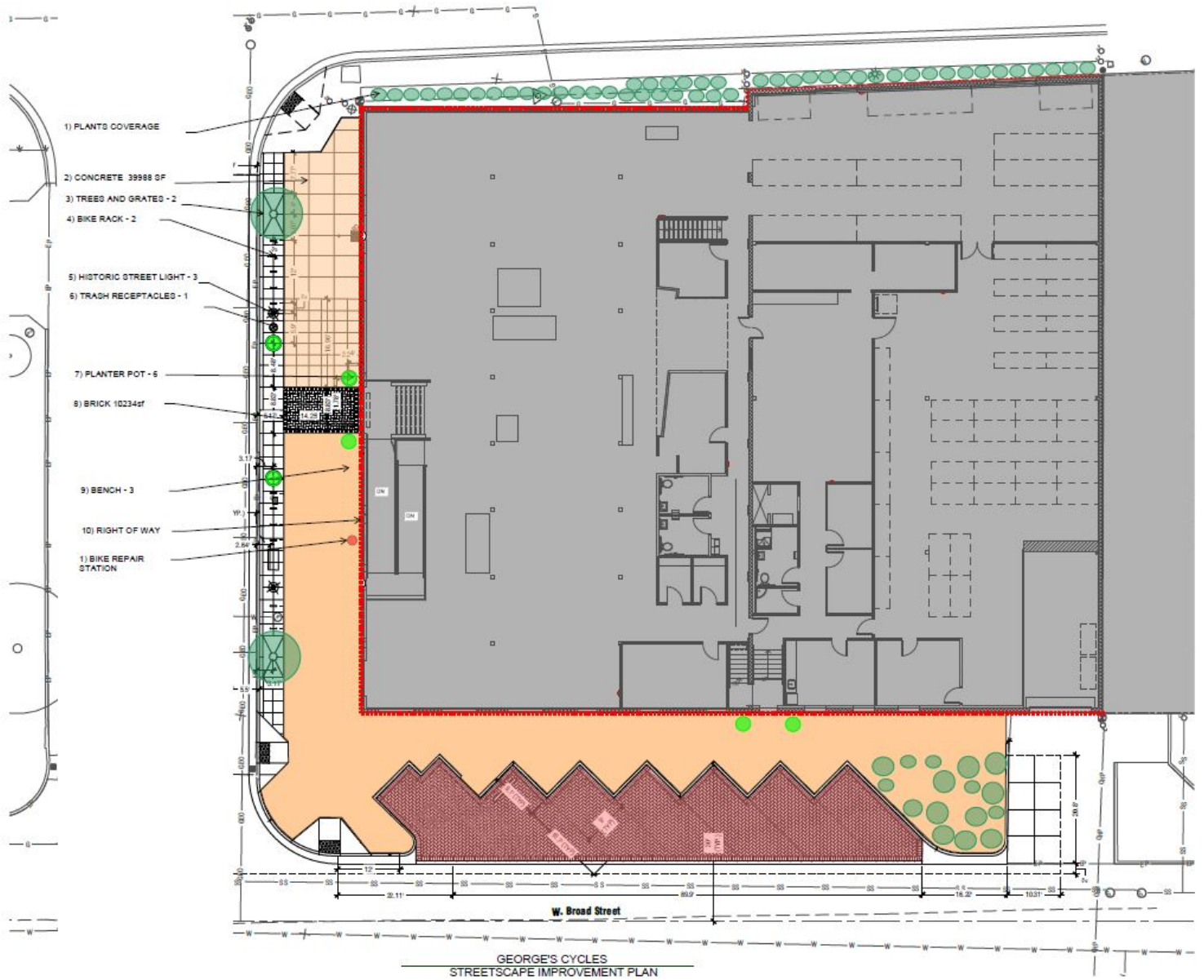


Exhibit C: Schedule of Eligible Costs

REV. 1-5-2015				
CCDC Participation Program T1 Eligible Costs Application Form Actual Eligible Costs To Be Determined by CCDC				
<i>Project Name: Georges Cycles</i>		<i>Plan Date:</i>		<i>By: US Trust Construction</i>
STREETSCAPE: (In right-of-way)				
	UNIT	UNIT PRICE	QUANTITY	TOTAL COST
SITE PREPARATION:				
Surface demolition	SF	1.25	8,000	10,000.00
Asphalt demolition	SF	2.00	1,500	3,000.00
Curb and gutter demolition	LF	10.00	300	3,000.00
Saw cut	LS	1.00	500	500.00
Replace subbase	SF	1.27	5,500	7,000.00
Stand alone tree removal	EA	400.00	3	1,200.00
SIDEWALK WORK:				
Scored concrete sidewalk	SF	3.25	4,000	13,000.00
Dry laid brick	LS	47,070.75	1	47,070.75
Pedestrian ramp	EA	1,000.00	3	3,000.00
Truncated dome	EA	200.00	3	600.00
Lawn parkway	0	-	0	0.00
Irrigation	LS	1.00	8,559	8,559.00
OTHER:				
Asphalt repair	SF	6.67	1,500	10,000.00
Concrete curb cut	LF	1.67	300	500.00
Vertical curb and gutter (6")	LF	8.00	500	4,000.00
Meyers cabinet	0	-	0	0.00
Water meter	0	-	0	0.00
SITUATIONAL FURNISHINGS:				
Street trees	EA	1,669.00	3	5,007.00
Tree grates & frames	EA	2,514.00	2	5,028.00
Trench drain cover	0	-	0	0.00
Historic street light	EA	3,281.00	3	9,843.00
Bench	EA	861.09	3	2,583.27
Bike rack	EA	137.21	11	1,509.27
Litter receptacle	EA	494.42	1	494.42
Pre-cast planter	EA	680.12	6	4,080.72
OTHER:				
Stiping and Signage	LS	2,000.00	1	2,000.00
Bike Repair Stations	EA	1,200.00	1	1,200.00
TOTAL ELIGIBLE COSTS:				143,175
Important Note: Each program where eligible costs are identified will only pay for those approved expenses not otherwise paid for by another public entity.				



AGENDA BILL

Agenda Subject: FY 2015 Audit Report		Date: January 11, 2016
Staff Contact: Ross Borden, Finance Director	Attachment: <ol style="list-style-type: none"> 1. Audit Committee Agenda 2. Independent Auditor's Communication to Those Charged with Governance (AU 260) 3. Independent Auditor's Report of the Agency's FY 2015 Financial Statements 	
Action Requested: Accept independent auditor Eide Bailly LLP's report of the Agency's FY 2015 financial statements and authorize distribution to statutorily-required entities.		

Background:

Idaho Code requires a full and complete audit of the Agency's financial statements to be performed each year by an independent auditor in accordance with generally accepted governmental auditing standards (Sections 67-450(b) and 50-2006(d), Idaho Code).

Accounting firm Eide Bailly LLP issued its audit for the Agency's Fiscal Year 2015 on December 30, 2015. The Independent Auditor's Report, states, in part:

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Capital City Development Corporation as of September 30, 2015, and the results of its operations for the year ended in conformity with accounting principles generally accepted in the United States of America."

The Executive Committee serves concurrently as the Board's Audit Committee. It formally received this audit report from Eide Bailly earlier today. The Audit Committee and independent auditors discussed the audit report with staff present and then with staff excused.

Idaho Code requires annual audits like this to be filed with the Agency's "local governing body", the City of Boise, within 10 days of receipt as well as with the Idaho Legislative Services Office. In addition, the covenants on the Agency's outstanding bonds require that these annual audits be provided to the bond trustee and relevant financial institutions each year.

Fiscal Note:

The Agency engaged Eide Bailly LLP to conduct an independent audit its FY 2015 financial statements for a not-to-exceed amount of \$38,250.

Staff Recommendation:

Accept the Eide Bailly audit report of the Agency's FY 2015 financial statements and authorize filing the report with the required entities.

Suggested Motion: I move to accept independent auditor Eide Bailly's report of the Agency's Fiscal Year 2015 financial statements and authorize staff to deliver the audit report to all required entities.



AUDIT COMMITTEE AGENDA

Executive Committee serves concurrently as Audit Committee

11:00 – 11:30, Monday, January 11, 2016

1. Call to Order.

- Chairman Hale

2. FY 2015 Audit Report Presentation by external auditor Eide Bailly, LLP.

- Kevin Smith, Audit Partner
- Brad Berls, Senior Manager

3. Discussion.

4. Executive Committee discussion with Auditors.

- Agency staff dismissed

5. Update: Risk-Based Cycling Review.

- Ross Borden, Finance Director

Background: The Risk Based Cycling Review Policy was adopted in 2008 to provide for external assessments of Agency internal controls, policies, procedures and practices. The Executive Committee, in its role as Audit Committee, drives this policy in consultation with the Board. Risk-Based Cycling Reviews were performed in 2008 and 2011. In March 2015, the Executive / Audit Committee approved a 3-Year RBCR Plan. After a competitive RFQ/P process, Eide Bailly, LLC, was selected in June 2015 to conduct those Reviews.

- Year 1 / FY2015: Review internal controls of recently automated parking garage access control system.
 - **Status: Completed** December 2015. Executive / Audit Committee approved Final Report and Management Response.
- **Year 2 / FY 2016: Review computer system security policies and procedures.**
 - Network, including remote access, security: conformity of security protocols and permitted access to sound internal control practices.
 - Computerized accounting system controls: conformity of security protocols and permitted access to sound internal control practices.
 - Communications policy & security including email.
 - Public records retention and recovery.
 - Disaster planning and recovery.
 - Work begins in March.
- Year 3 / FY 2017: Review Accounting and Contract Management policies, internal controls, conformity to best practices and documentation.

11:30 Break

Noon Board of Commissioners Regular Monthly Meeting



AGENDA BILL

Agenda Subject: Board Organization		Date: 1-11-16
Staff Contact: John Brunelle	Attachments: CCDC By Laws Executive Committee Charge	
Action Requested:		
<ol style="list-style-type: none"> 1) Consider Election of Officers <ol style="list-style-type: none"> a. Chair b. Vice Chair c. Secretary/Treasurer 2) Approval of Executive Committee Charge and appointment of At-Large Member 3) Designation of Secretary Pro Tem 		

Fiscal Notes:

No Change

Background:

ART III/Section 2 prescribes an annual election of officers in January of each year.

ART IV/Section 2 allows for the Board to confirm the Executive Committee charge and appoint the At-Large member

ART III/Section 5 allows for the Board to appoint a person to serve as Secretary Pro Tem as backup to the officers

Staff Recommendation:

Recommendation is to elect new officers for named positions, reapprove the Executive Committee Charge and appoint one At-Large member to serve, and to appoint one staff position to serve as Secretary Pro Tem.

Suggested Motion:

I move appointment of the slate of officers as nominated, for approval of the Executive Committee charge as presented and for appointment of the At-Large member as nominated, and to appoint Deah LaFollette to serve as Secretary Pro Tem.

RESOLUTION NO. 1243

**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,
REPEALING THE EXISTING BYLAWS OF THE CAPITAL
CITY DEVELOPMENT CORPORATION; ADOPTING THE
AMENDED AND RESTATED BYLAWS 2010 OF THE
CAPITAL CITY DEVELOPMENT CORPORATION WHICH,
AMONG OTHER THINGS, INDICATES HOW CORPORATE
DOCUMENTS ARE TO BE EXECUTED ON BEHALF OF THE
CORPORATION; AUTHORIZING THE CHAIRMAN,
EXECUTIVE DIRECTOR AND SECRETARY TO TAKE ALL
NECESSARY ACTION REQUIRED TO IMPLEMENT THIS
ACTION; 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 Agency Board by the adoption of Resolution No. 829 in June 2000, approved and adopted new Bylaws of the Agency Board;

WHEREAS, the Agency Board by the adoption of Resolution No. 1063 in June 2006, approved and adopted Amended and Restated Bylaws of the Agency Board;

WHEREAS, since 2006 three additional amendments were approved by Resolution No. 1151 in July 2008, Resolution No. 1176 in March 2009 and Resolution No. 1183 in June 2009;

WHEREAS, Article V of such Bylaws allows for repeal of existing Bylaws and adoption of new Bylaws by a majority vote of all members of the Board of Commissioners at any regular or special meeting;

WHEREAS, the Board finds it in the best interest of the Agency to adopt the Amended and Restated Bylaws 2010 which incorporates all changes since 2006 and provisions for technical revisions;

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

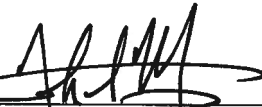
Section 1: That all previous Bylaws of the Capital City Development Corporation and amendments to such Bylaws are hereby repealed, superseded and replaced by the Amended and Restated Bylaws 2010, dated December 13, 2010, attached to this Resolution as Exhibit A and incorporated herein are hereby adopted.

Section 2: That the Chairman, Executive Director and Secretary of the Agency are hereby authorized to take all required action to implement this resolution and the Bylaws.

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 Boise City, Idaho, on December 13, 2010.
Signed by the Chairman of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on December 13, 2010.

APPROVED:



John S. May, Chairman



David Eberle, Vice Chairperson



Cheryl Larabee, Secretary / Treasurer

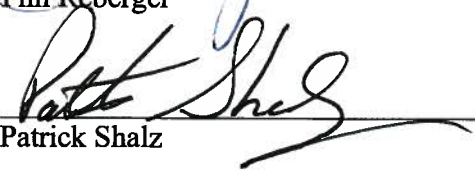


John Hale


Chuck Hedemark



Phil Reberger



Patrick Shalz


Alan Shealy

ATTEST:

By 
Cheryl Larabee, Secretary

AMENDED AND RESTATED
BYLAWS
OF
CAPITAL CITY DEVELOPMENT CORPORATION
December 2010

ARTICLE I

Name

The Urban Renewal Agency for the City of Boise as created pursuant to the provisions of the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code) shall be known as the "Capital City Development Corporation" (hereinafter "Corporation") but shall also be authorized to use the name "Urban Renewal Agency of Boise City" if and as required.

ARTICLE II

Board of Directors

Section 1. The property, business, powers, and affairs of the Corporation shall be managed and controlled by the Board of Commissioners thereof. The Board of Commissioners is vested with all powers as provided by the Idaho Urban Renewal Law of 1965 (Chapter 20, Title 50, Idaho Code), as the same now exists, or as may be amended hereafter.

Section 2. The Board of Commissioners shall consist of a number of members determined in accordance with the provisions of Section 50-2006, Idaho Code, as the same now exists, or as may be amended hereafter, and as appointed by the Mayor of the City of Boise City with the advice and consent of the Boise City Council.

Section 3. Commissioners shall receive no compensation for their services but shall be entitled to the necessary expenses, including travel expense, incurred in the discharge of their duties.

Section 4. Each Commissioner shall hold office until his or her successor has been appointed and qualified. A certificate of the appointment or reappointment of a Commissioner shall be filed with the City Clerk of the City of Boise, Idaho, and such certificate shall be conclusive evidence of the due and proper appointment of such Commissioner.

Section 5. The qualifications and eligibility of persons to serve on the Board of Commissioners shall be as defined and described in Section 50-2006, Idaho Code, as the same now exists, or may be amended hereafter.

Section 6. The Board of Directors shall hold regular meetings at the Agency offices, 121 North 9th Street, Suite 501, Boise, Idaho, the second Monday of each month at the hour of 12 o'clock (noon). Regular and special meetings shall be held at the above noted location unless legally noticed for a different location provided in accordance with Idaho State Statutes.

Section 7. The Chairman or a majority of the Board of Commissioners has the power to call special meetings of the Board, the object of which shall be submitted to the Board as is appropriate to the circumstances or as otherwise provided by law; the call and object, as well as the disposition thereof, shall be entered upon the minutes of the Secretary. Notice for a special

meeting to deal with an emergency involving injury or damage to persons or property, or the likelihood of such injury or damage or other recognized emergency items, shall be as required by state law.

Section 8. A majority of the members of the Board of Commissioners shall constitute a quorum for the purpose of conducting business and exercising the powers of the Corporation and for all other purposes. Official action may be taken by the Board of Commissioners upon a vote of a majority of the members thereof present at a duly convened regular or special meeting at which a quorum is present. Actions of the Board to elect officers, to adopt or amend the annual budget, to adopt or amend an urban renewal plan, or to hire or remove the Executive Director, require a majority vote of the entire Board.

Section 9. The Board of Commissioners by majority vote may employ an Executive Director, who shall serve as the Chief Executive Officer of the Corporation. The Board of Commissioners or as delegated to the Executive Director serves at the pleasure of the Board and may be removed by a majority vote of the Board. The Executive Director is empowered to employ technical experts, legal counsel, and such other agents and employees, permanent and temporary, as the Corporation may require. The compensation for all said persons so employed shall be determined by the Executive Director in accordance with the adopted Compensation Plan of the Corporation or as approved by the Executive Director as may be delegated by the Board.

Section 10. The Board of Commissioners shall file with the City Clerk, City of Boise, Idaho, on or before March 31 of each year (or such date as may be set by state law), a report of its activities for the preceding calendar year which report shall include a complete financial statement setting forth the Corporation's assets, liabilities, income, and operating expenses as of the end of such calendar year. At the time of filing said report the Board shall cause to be published in The Idaho Statesman, Boise, Idaho, a notice to the effect that such report is available for inspection during the regular business hours in the office of the City Clerk and in the office of the Corporation

Section 11. For inefficiency or neglect of duty or misconduct in office, a Commissionerr may be removed only after a hearing and only after he or she shall be given a copy of the charges at least ten (10) days prior to such hearing and shall have had an opportunity to be heard in person or by counsel.

ARTICLE III

Officers

Section 1. The officers of the Corporation shall be a Chairman, Vice Chairman, Secretary, Treasurer (or the combined office of Secretary/Treasurer) and such other officers, as the Board of Commissioners may deem necessary. Only the Chairman and Vice Chairman need be members of the Board of Commissioners.

Section 2. The Board of Commissioners shall elect the Chairman, Vice Chairman, Secretary, Treasurer, Secretary/Treasurer and such other officers as are deemed necessary for a term of one (1) year and until his or her successor is duly elected and qualified. Such elections shall occur at the first regular meeting held in January. Officers elected at that meeting shall hold office until the first regular meeting the following year.

Section 3. The Chairman shall be the chief presiding officer of the Corporation. The Chairman shall execute all deeds, bonds, contracts, and other legal documents authorized by the Board

provided, however, that the Board may delegate certain of said duties to the Executive Director of the Corporation. The Chairman shall have the power to vote on any matter presented to the Board of Commissioners for their consideration. The Chairman shall also have such other powers and duties as may be assigned to him or her by the Board of Commissioners.

Section 4. The Vice Chairman shall be possessed of all the powers and shall perform all the duties of the Chairman in the absence or disability of the Chairman. The Vice Chairman shall have the power to vote on any matter presented to the Board of Commissioners for their consideration. The Vice Chairman shall also have such other powers and duties as may be assigned to him or her by the Board of Commissioners.

Section 5. The Secretary shall cause to be kept the minutes of all proceedings of the Board; shall cause the giving and serving of all notices of meetings of the Board as required; shall provide for the execution, along with the Chairman or other corporate officer, in the name of the Corporation all deeds, bonds, corporate instruments, any other documents required by state and/or federal law to be attested, and any document as requested by a third party as authorized by the Board and shall be the custodian of the Corporation seal, books, bylaws, and such other books, records, and papers of the Corporation as the Board shall direct. In addition, he or she shall perform other duties and have such responsibilities as may be designated by the Board. In case of the absence or disability of the Secretary or his or her refusal or neglect to perform such duties, all duties required of the Secretary may be performed by the Chairman or Vice Chairman or such other person as may be designated by the Board. The Board may also appoint a temporary Secretary who may be an employee of the Agency to carry out these duties when the Secretary is absent.

Section 6. The Treasurer shall have the general custody of all the funds and securities of the Corporation and shall have general supervision of the collection and disbursement of funds of the Corporation. He or she shall provide for endorsement on behalf of the Corporation, for collection, checks, notes, and other obligations and shall deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board may designate. He or she may sign, with the Chairman or such other person or persons as may be designated for said purpose by the Board of Commissioners, all negotiable instruments. He or she shall enter, or cause to be entered, regularly in the books of the Corporation, full and accurate account of all monies received and paid by him or her on account of the Corporation; shall at all reasonable times exhibit the Corporation books and accounts to any Commissioner of the Corporation at the office of the Corporation during regular business hours; and, whenever required by the Board or the Chairman, shall render a statement of his or her accounts. He or she shall perform such other duties as may be prescribed from time to time by the Board or by the Bylaws. The Treasurer shall give bond for the faithful performance of his or her duties in such sum and with such surety as shall be approved by the Board.

Section 7. If any of the foregoing offices shall, for any reason, become vacant, the Board of Commissioners shall elect a successor who shall hold office for the unexpired term and until a successor is elected and qualified.

Section 8. The Board of Directors may appoint an Executive Director for the Corporation. The Executive Director shall be the chief executive officer of the Corporation, shall serve at the pleasure of the Board, and shall have such powers and duties as may be assigned to him or her by the Board of Commissioners.

ARTICLE IV

Miscellaneous

Section 1. The seal of the Capital City Development Corporation shall be circular in form and shall have the name of the Corporation on the circumference and shall have the words "Corporate Seal Idaho" in the center.

Section 2. The Board of Commissioners may appoint one or more committees to investigate and study matters of Corporation business and thereafter to report on and make recommendations concerning said matters assigned to the Board of Commissioners. When possible each of said committees should be chaired by a member of the Board, but said committees may be comprised of persons other than members of the Board of Commissioners. Unless specifically delegated by a majority vote of the Commission, and as allowed by law, regulation or applicable urban renewal plan provision, no such committee shall have the power to make final Corporation decisions with power being vested solely in the Commissioners. The terms of office, the persons serving, the matters to be studied, and all procedural decisions shall be made and decided by the Board of Commissioners.

The Board of Commissioners finds it in the best interests of the Corporation to establish an Executive Committee, consisting of the Board Chairman, Vice Chairman, Secretary/Treasurer, and a non-officer Board member, to investigate and study certain matters of the Corporation without the necessity of convening a meeting of the full Board of Commissioners. The Executive Committee shall report its activities to the full Board at one of the monthly Board meetings. Specific matters to be studied and any procedural protocol of the Executive Committee shall be defined by the Board of Commissioners and may be revised from time to time as appropriate by the full Commission.

Section 3. In addition to such bank accounts as may be authorized in the usual manner by resolution of the Board of Commissioners, the Treasurer of the Corporation, with the approval of the Chairman, may authorize such bank accounts to be opened or maintained in the name and on behalf of the Corporation as he or she may deem necessary or appropriate. Payments from such bank accounts are to be made upon the check of the Corporation, each of which checks shall be signed by two of such Commissioners, officers, or bonded employees of the Corporation as shall be authorized by the Board of Commissioners.

Section 4. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern regular and special meetings of the Board of Commissioners in all cases to which they are applicable and in which they are not inconsistent with these Bylaws or state law and any special rules of order the Board of Commissioners may adopt.

ARTICLE V

Amendments

These Bylaws may be repealed, amended, or new Bylaws adopted at any regular or special meeting for such purpose of the Board of Commissioners by a majority vote of all members of said Board.


We, the undersigned, being all of the members of the Board of Commissioners of the Capital City Development Corporation, do hereby certify that the foregoing Bylaws-were duly and regularly adopted as the Bylaws of said Corporation on the 13th day of December, 2010, and those prior Bylaws of the Corporation adopted by the Board of Commissioners on June 8, 2009, or as amended since June 8, 2009, are hereby repealed, superseded and released by these Bylaws.



~~John S. May, Chairman~~



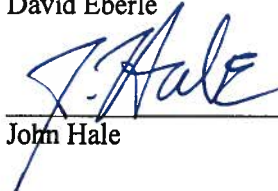
Phil Reberger, Vice Chairperson



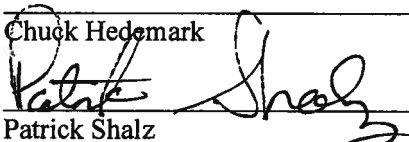
Cheryl Larabee, Secretary / Treasurer



David Eberle



John Hale



Patrick Shalz



Alan Shealy

The undersigned, secretary of Capital City Development Corporation, hereby certifies that the foregoing Bylaws were duly adopted as the Bylaws of said Corporation on the 13th day of December, 2010.



Cheryl Larabee, Secretary



EXECUTIVE COMMITTEE (EC) 2016
Study Areas & Protocols pursuant to:
ARTICLE IV, Section 2, of the
Adopted Bylaws of CCDC (December 13, 2010)

Per ART IV/SECTION 2:

Members: Board Chair, Vice Chair, Secretary/Treasurer, Non-Officer Member appointed by Board

Purpose: To investigate and study certain matters of the Corporation without the necessity of convening a meeting

Reporting: The EC shall report its activities to the full Board of Directors as appropriate

Powers: No final decisions are made by the EC unless delegated by majority vote of the Board

Appointments: Terms and persons, study areas, and procedural decisions are reserved to the full Board

AS CURRENTLY ASSIGNED: To facilitate efficient work accomplishment by staff, it is desirable to supplement the volunteer Board efforts with the efforts of the EC to maintain close communications, coordinate efforts, receive feedback and advice, and to tend to general ministerial functions of the Agency.

- Personnel: Pursuant to the Agency's adopted personnel manual, pay plan, and budget, the EC will review annual salary adjustments with the ED as requested/appropriate. The EC advises the ED regarding any organizational, performance, reclassifications of position responsibilities, or pay issues which can be managed within the approved budget.
- Finance: The EC serves as budget advisor in preparing a draft budget for review and adoption by the full Board. Pursuant to the Agency's adopted budget, the EC provides oversight and direction in the execution of the budget and acts as a financial advisor on related issues.
- Audit: The EC will serve as the Agency's audit committee. The Board will formally receive the annual financial report/audit.
- Issues: The EC is empowered by the Board to serve as a "sounding board" for issues and to advise, plan, steer, coordinate, and calendar Board activities necessary to manage Agency issues and affairs for the benefit of the Board. Agency issues may be numerous and likely cover a broad range of topics given the Agency's charge. Regular reports to the Board provide communication and coordination.
- Procedure: The Board approves all Agency *policies*. The EC may review Agency operational procedures or practices as needed pursuant to adopted policies or other ministerial matters.



AGENDA BILL

Agenda Subject: Resolution No. 1427 Consider and Approve the Disposition & Development Agreement (DDA) between CCDC and The Watercooler Project, LLC for 1401 and 1413 W. Idaho Street.		Date: 1/11/2016
Staff Contact: Shellan Rodriguez	Attachments: 1- Resolution 1427 2- Disposition and Development Agreement	
Action Requested: Review key points of the DDA and approve Resolution No. 1427.		

Fiscal Notes:

The Development and Disposition Agreement calls for the developer to pay to the agency the Initial Purchase Price of \$985,000. This amount is based on the September 2014 land appraisal. Upon completion of all closing conditions (Section 5.3 of the DDA) the property will be conveyed to the Developer for the Initial Purchase Price. This is expected to occur in March or April.

When the developer completes construction and is issued a Certificate of Completion by CCDC, the developer will receive \$735,000 from CCDC. The difference of \$250,000 is represented in the DDA as the Adjusted Purchase Price. Only when the developer's performance and fulfillment of the DDA is deemed complete by CCDC will the developer qualify for the effective purchase price of \$250,000 for the property.

The developer's cost of construction is estimated to be \$7.1 million for this housing project. Agency staff anticipates revenue allocation of approximately \$670,000 to \$840,000 to CCDC over the remaining term of the Westside Downtown Urban Renewal District.

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 Twenty Thousand 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
12/14/2015	CCDC Board rejects DDA for One Dollar land write down
<u>1/11/2015</u>	<u>CCDC Board requested approval of DDA</u>
*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>) <i>*anticipated based on current schedule.</i>

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. The reuse appraisal was completed in October of 2015 and the land value determined by the appraisal was negative \$20,000.

In December, CCDC Board denied approval of the DDA that was brought forward due to the final land price at less than what was initially proposed. The Board suggested extending the ERN to allow the developer additional time to determine if the final land price of \$250,000 could be agreed upon.

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 \$250,000 for the land as is written within the DDA. Through the ERN process the developer has revised their design and updated their construction budget. The overall budget has increased by over \$1 Million due to higher than anticipated construction costs.

- 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 the CCDC Board 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. 1427 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. 1427

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 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 January 11, 2016, 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 January 11, 2016.
Signed by the Chair of the Board of Commissioners and attested by the Secretary to the Board of
Commissioners on January 11, 2016.

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**

January 11, 2016

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

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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 the Agency's Board of Commissioners to demolish the existing structures on the Property. Agency's permission shall only be valid if provided by the Agency's Board of Commissioners following a request made to the Agency's Board of Commissioners during a regular or special meeting of the Board. Any such approval must be 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. 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.

7.10.5. 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) lightning; (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 Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00).

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]

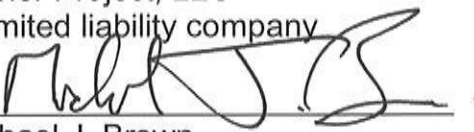
AGENCY:
THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

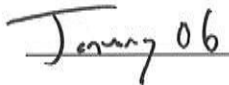
_____, 2016

DEVELOPER:

The Watercooler Project, LLC
a Delaware limited liability company

By 
Michael J. Brown

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

 06, 2016

STATE OF IDAHO)
) ss.
County of _____)

On this _____ day of January, 2016, 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)
County of Ada) ss.

On this 16th day of January, 2016, before me, Shauna L. Wallace
the undersigned notary public in and for said county and state, personally appeared
Michael J. Brown, known or identified to me to be the Manager of
Local Construct 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.

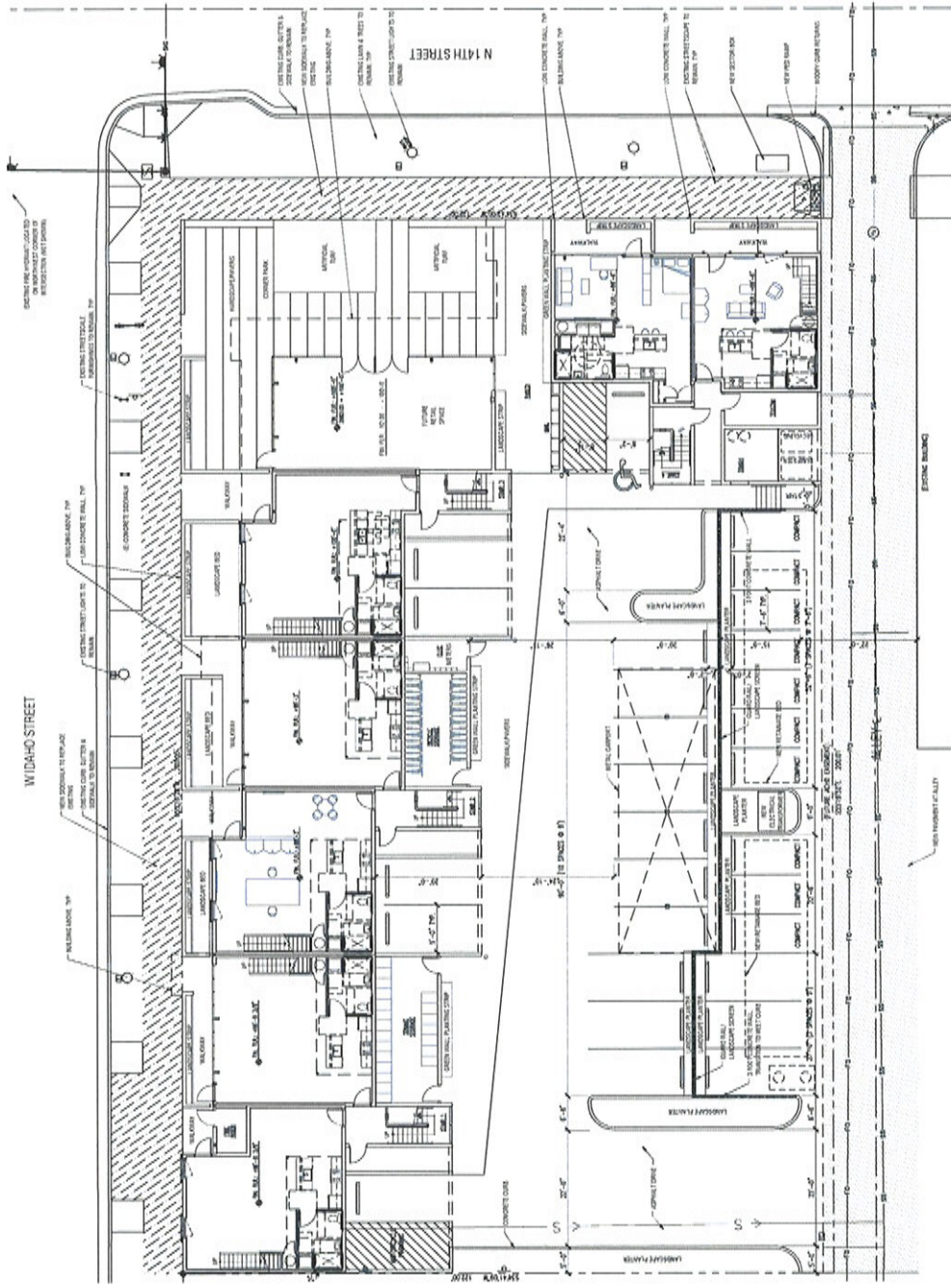
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official
seal the day and year in this certificate first above written.



Shauna L. Wallace
Notary Public for Idaho
Residing at Boise ID
Commission Expires 14 Sept. 2017

Attachment 1

Map of the Property



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

PROJECT SUMMARY

LOT AREA	514,008 S.F. (18.6 ACRES)	0 FT.	TOTAL UNITS	37	PROPOSED PARKING	3107
ZONING (CURRENT PROPOSED)	C-100-C-500	5 FT.	1 BR/1 BATH	4 (10%)	TOTAL PARKING STALLS REQUIRED/PROVIDED	44/29
PARCEL No.	#101001765	5 FT.	2 BR/1 BATH	14 (38%)	TOTAL ACCESSIBLE STALLS REQUIRED/PROVIDED	1/1
ZONING (PREVIOUS SELECTION)	TUNE-2	NONE	3 BR/2 BATH	2 (5%)	TOTAL CONFORMING STALLS REQUIRED/PROVIDED	0/0
PARCEL No.	#101001761	45 FT.	TOTAL BUILDING HEIGHT	4	BICYCLE PARKING REQUIRED/PROVIDED	0/0
ZONING (PREVIOUS SELECTION)	TUNE-0	TOTAL BUILDINGS				

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

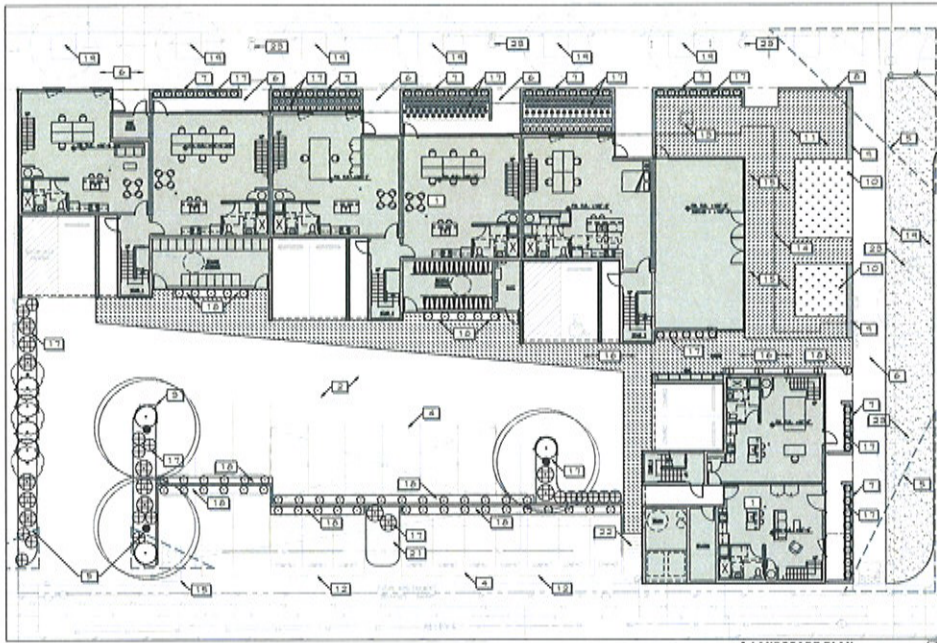
Schedule of Performance

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 January 23	
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 of the Project</u>	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

TREE	BOTANICAL NAME / COMMON NAME	COLT	CL.	HT.
1	WATERBURY SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
2	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
3	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
4	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
5	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
6	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
7	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
8	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
9	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
10	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
11	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
12	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
13	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
14	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
15	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
16	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
17	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
18	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
19	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
20	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
21	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'
22	SPANISH BAYONET / SPANISH BAYONET	R 10	10'	8'

REFERENCE NOTES SCHEDULE	CODE	DESCRIPTION	SYM	DETAIL
1	1	REVISIONS		
2	2	PARKING LOT		
3	3	COVERED PARKING LOT		
4	4	COVERED PARKING LOT		
5	5	COVERED PARKING LOT		
6	6	COVERED PARKING LOT		
7	7	COVERED PARKING LOT		
8	8	COVERED PARKING LOT		
9	9	COVERED PARKING LOT		
10	10	COVERED PARKING LOT		
11	11	COVERED PARKING LOT		
12	12	COVERED PARKING LOT		
13	13	COVERED PARKING LOT		
14	14	COVERED PARKING LOT		
15	15	COVERED PARKING LOT		
16	16	COVERED PARKING LOT		
17	17	COVERED PARKING LOT		
18	18	COVERED PARKING LOT		
19	19	COVERED PARKING LOT		
20	20	COVERED PARKING LOT		
21	21	COVERED PARKING LOT		
22	22	COVERED PARKING LOT		

LANDSCAPE REQUIREMENTS

PER BOISE CITY CODE:

MINIMUM TREE SPECIFICATIONS

MINIMUM TREE SPECIFICATIONS

TYPE	MIN. CAL.	MIN. DBH	MIN. HT.
SHRUB	1 1/2"	1 1/2"	4'
TREE	4"	4"	8'
TREE	6"	6"	10'

PLANTING SCHEDULE

PLANTING SCHEDULE	PLANTING SCHEDULE
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22

- LANDSCAPE NOTES:**
1. ALL PLANTING SHALL BE INSTALLED IN ACCORDANCE WITH SPANISH BAYONET PLANTING SPECIFICATIONS PER BOISE CITY CODE.
 2. ALL PLANTING SHALL BE INSTALLED IN ACCORDANCE WITH SPANISH BAYONET PLANTING SPECIFICATIONS PER BOISE CITY CODE.
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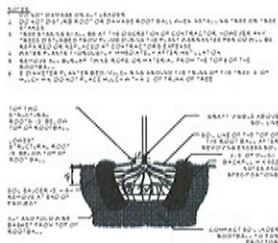


PROJECT
1401 W IDAHO
1401 W IDAHO STREET
BOISE, IDAHO 83702



NOVEMBER 23, 2015
1401 W IDAHO
BOISE, IDAHO

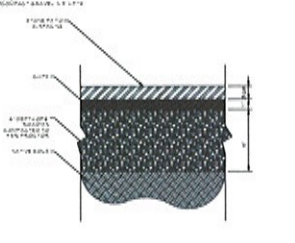
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LANDSCAPE PLAN



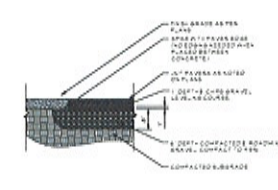
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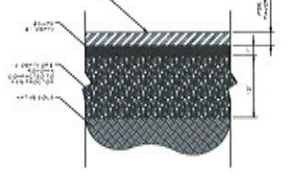
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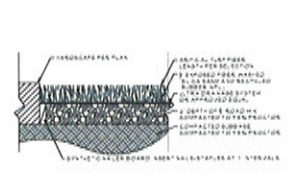
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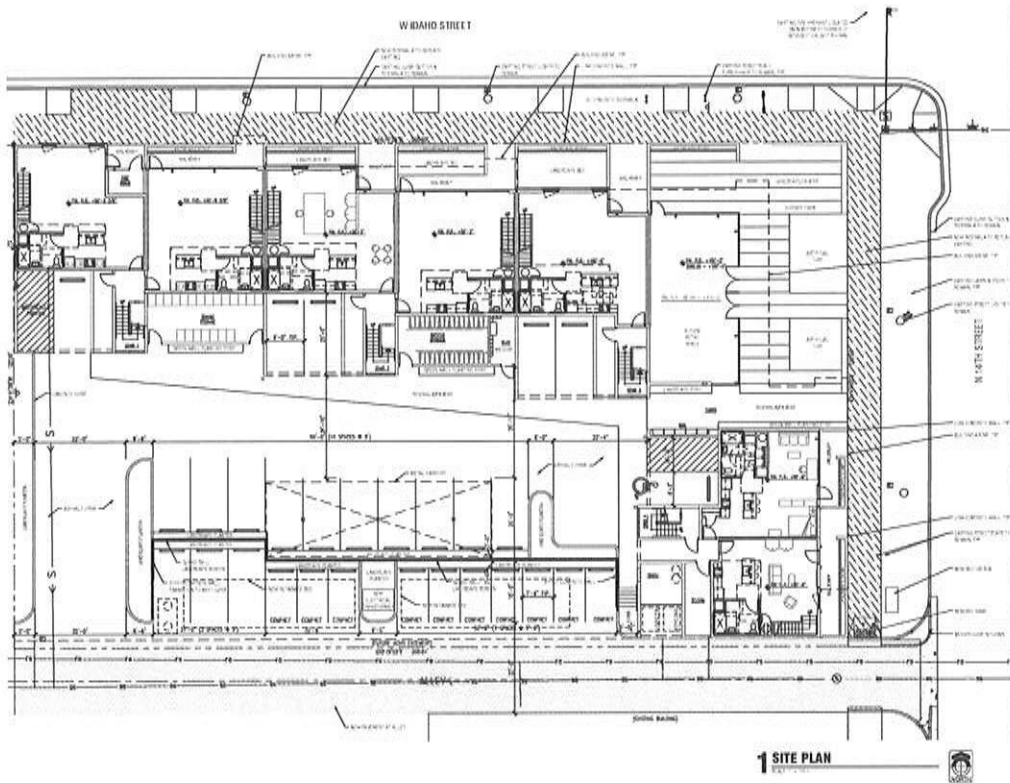
4 UNIT PAVER WITH PAVER EDGE
3/14/10 33 433 9-07



5 DRIVEWAY PAVER DETAIL
3/14/10 33 433 9-07



6 ARTIFICIAL TURF
3/14/10 33 433 9-07



1 SITE PLAN

PROJECT SUMMARY

LOT AREA	21,488 SF (1/4 ACRE)	FRONT YARD SETBACK	0 FT	TOTAL LOT	0 FT	PROPOSED PARKING	
NUMBER OF PLOTS PROPOSED	1 (C.D.C. BLD)	STREET SIDE YARD SETBACK	0 FT	1 (100% BLD)	0 (0%)	TOTAL PARKING SPACES REQUIRED/PROVIDED	44/4
PARCEL NO.	8131302704	SIDE YARD SETBACK	0 FT	2 (50% BLD)	16 (36%)	TOTAL ACCESSIBLE SPACES REQUIRED/PROVIDED	1/1
TOWNSHIP/RANGE/SECTION	19N/1E	REAR YARD SETBACK	0 FT	2 (50% BLD)	8 (18%)	TOTAL COMPACT SPACES	12
PARCEL NO.	8131302701	MINIMUM BUILDING HEIGHT	NONE	3 (60% BLD)	3 (7%)	TOTAL COVERED SPACES REQUIRED/PROVIDED	0/0
TOWNSHIP/RANGE/SECTION	19N/1E	ACTUAL BUILDING HEIGHT	0 FT			BICYCLE PARKING REQUIRED/PROVIDED	3/0
		TOTAL BUILDINGS	1				



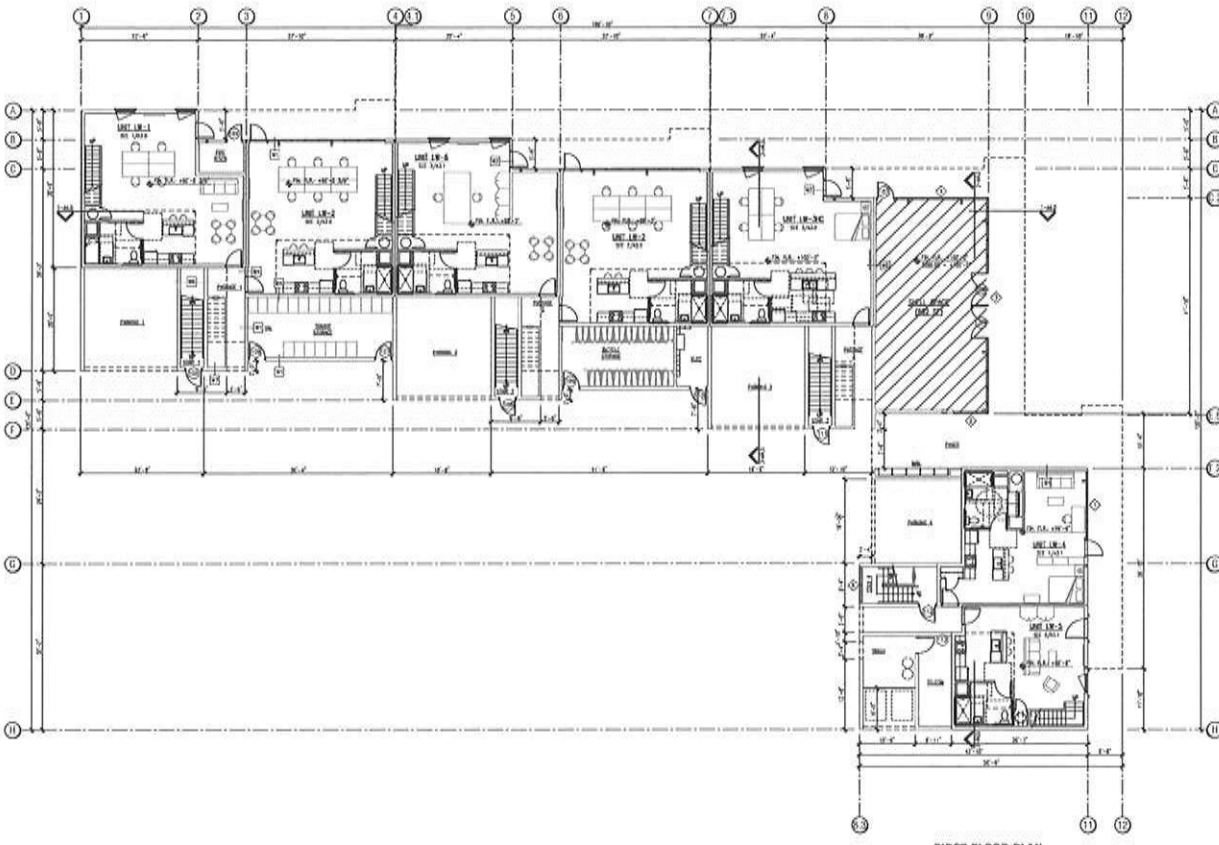
REF. SEE SKIDMORE OWINGS & MERRILL LLP

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



DATE
NOVEMBER 14, 2018
DRAWN BY
DAVID AUER, AIA

A1.0
ARCHITECTURAL SITE PLAN



FIRST FLOOR PLAN



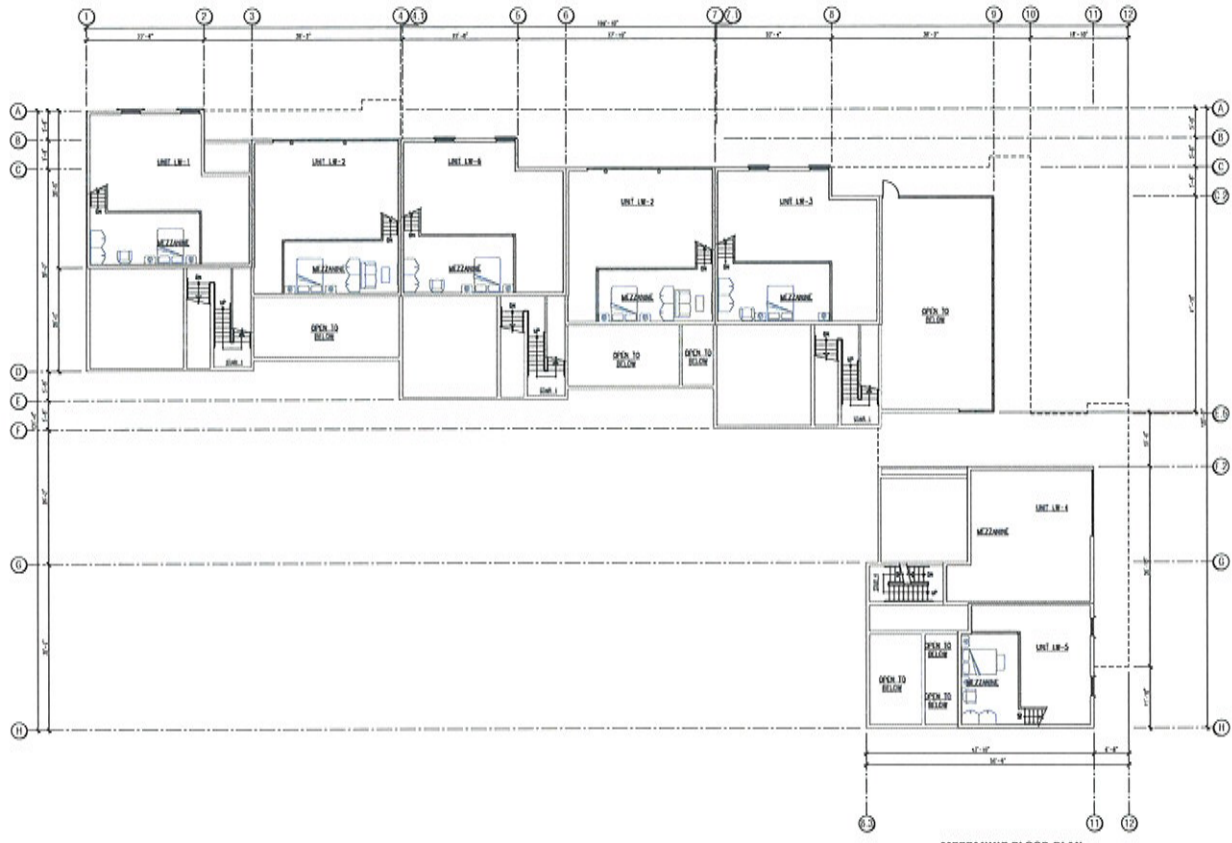
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PROJECT
1401 IDAHO
1401 W IDAHO STREET
BOISE, IDAHO 83702

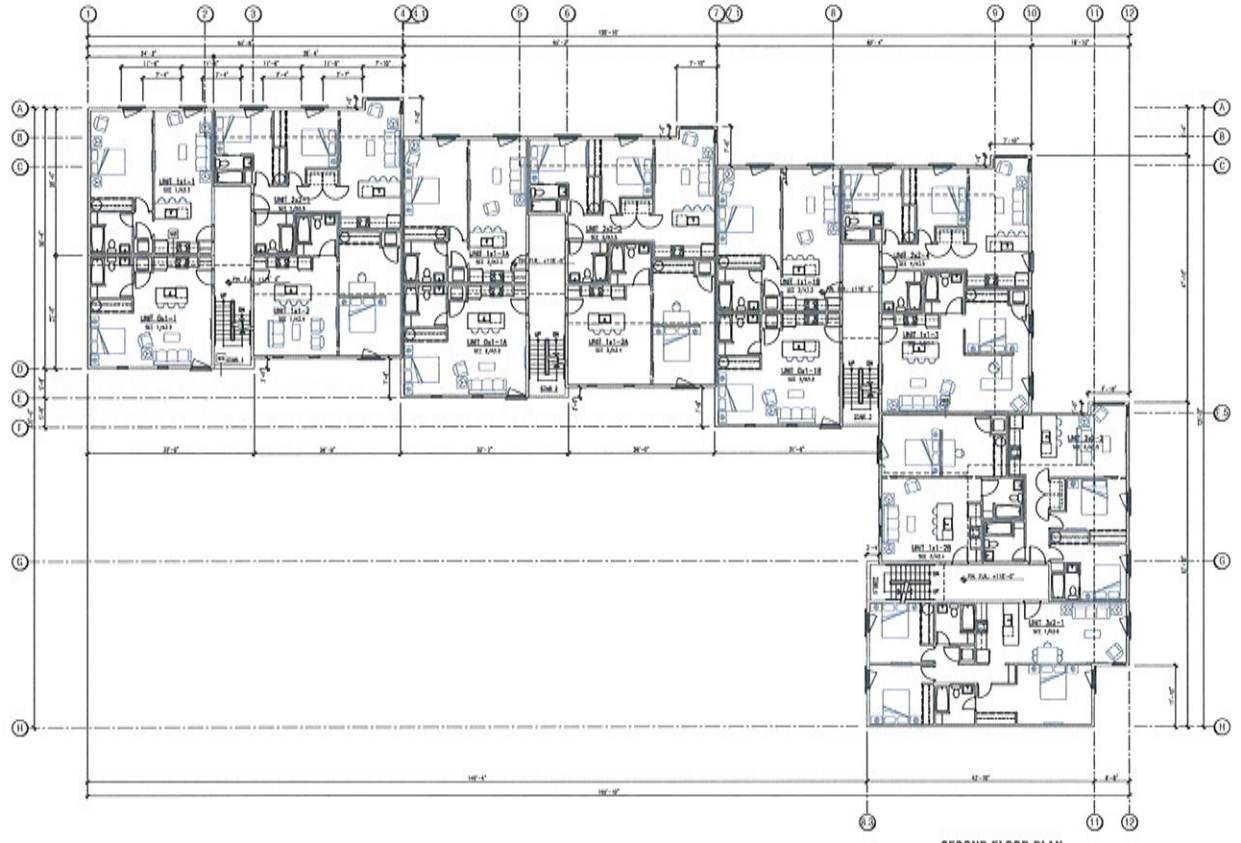


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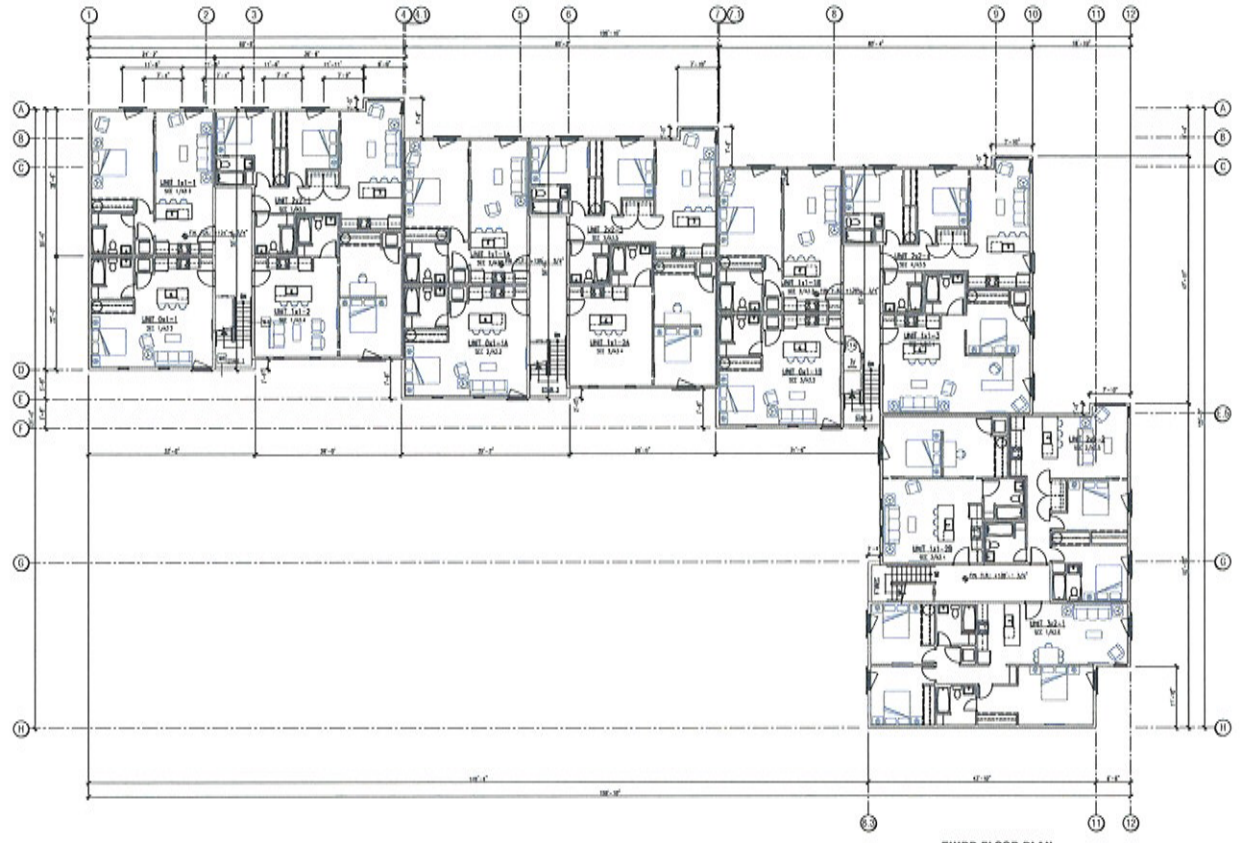
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A2.0
FIRST FLOOR
PLAN



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



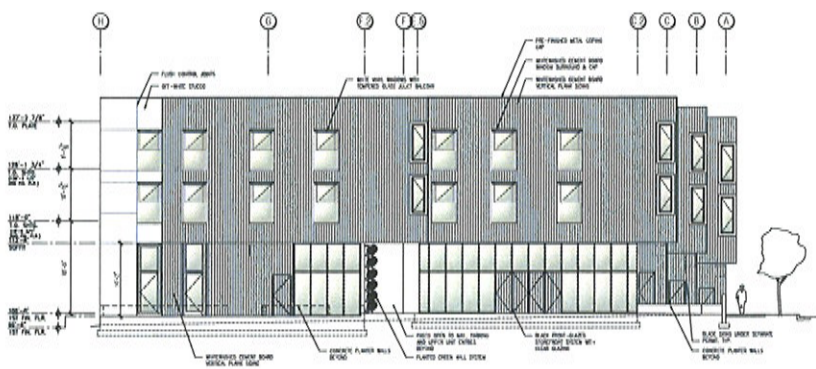
SECOND FLOOR PLAN



THIRD FLOOR PLAN

EXTERIOR FINISH SCHEDULE

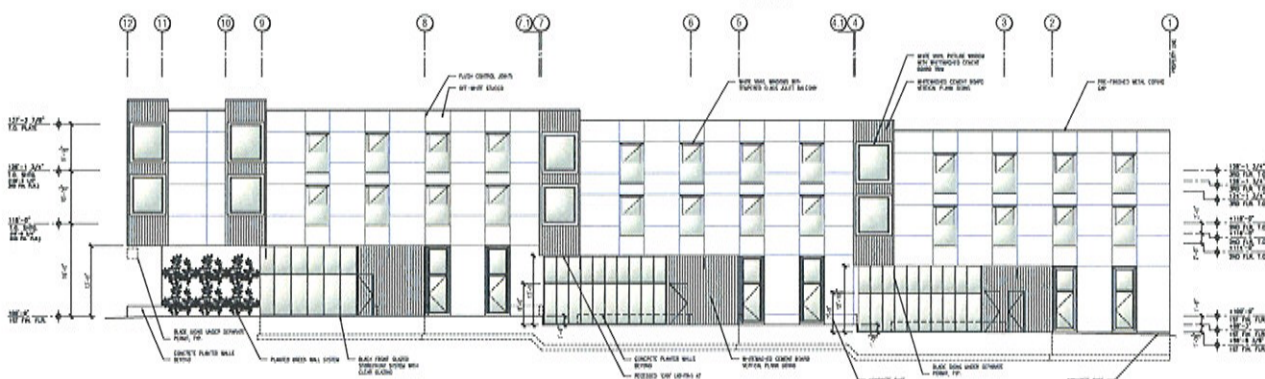
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23	STAINLESS STEEL	WOOD	W/100
24	STAINLESS STEEL	WOOD	W/100
25	STAINLESS STEEL	WOOD	W/100
26	STAINLESS STEEL	WOOD	W/100
27	STAINLESS STEEL	WOOD	W/100
28	STAINLESS STEEL	WOOD	W/100
29	STAINLESS STEEL	WOOD	W/100
30	STAINLESS STEEL	WOOD	W/100
31	STAINLESS STEEL	WOOD	W/100
32	STAINLESS STEEL	WOOD	W/100
33	STAINLESS STEEL	WOOD	W/100
34	STAINLESS STEEL	WOOD	W/100
35	STAINLESS STEEL	WOOD	W/100
36	STAINLESS STEEL	WOOD	W/100
37	STAINLESS STEEL	WOOD	W/100
38	STAINLESS STEEL	WOOD	W/100
39	STAINLESS STEEL	WOOD	W/100
40	STAINLESS STEEL	WOOD	W/100
41	STAINLESS STEEL	WOOD	W/100
42	STAINLESS STEEL	WOOD	W/100
43	STAINLESS STEEL	WOOD	W/100
44	STAINLESS STEEL	WOOD	W/100
45	STAINLESS STEEL	WOOD	W/100
46	STAINLESS STEEL	WOOD	W/100
47	STAINLESS STEEL	WOOD	W/100
48	STAINLESS STEEL	WOOD	W/100
49	STAINLESS STEEL	WOOD	W/100
50	STAINLESS STEEL	WOOD	W/100



1 EAST EXTERIOR ELEVATION

- KEYNOTES**
1. APPROXIMATE DIMENSIONS PROVIDED FOR REFERENCE
 2. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 3. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 4. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 5. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 6. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 7. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
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 9. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 10. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 11. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 12. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 13. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES
 14. REFER TO SECTION 05000 FOR MATERIALS AND FINISHES

- GENERAL NOTES**
1. ALL WORK TO BE DONE IN ACCORDANCE WITH THE SPECIFICATIONS AND THE NOTES TO THE SPECIFICATIONS.
 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITIES.
 3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
 5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.
 10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND MAINTENANCE OF ALL EXISTING UTILITIES AND STRUCTURES TO REMAIN.



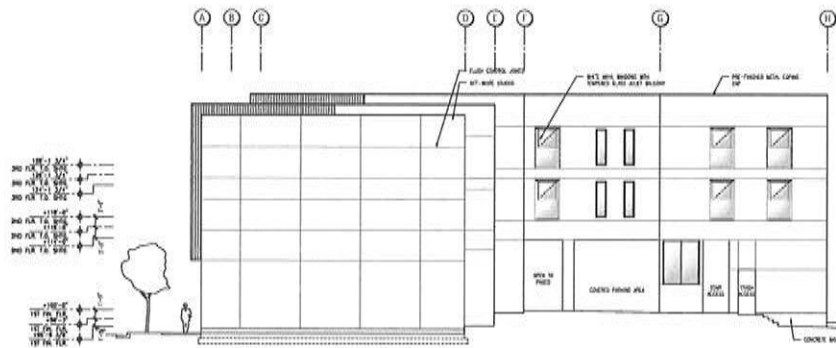
2 NORTH EXTERIOR ELEVATION



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

NOVEMBER 23, 2015
15 431 48 8
DAVID R. BYR, AIA

A5.0
EXTERIOR ELEVATIONS



KEYNOTES

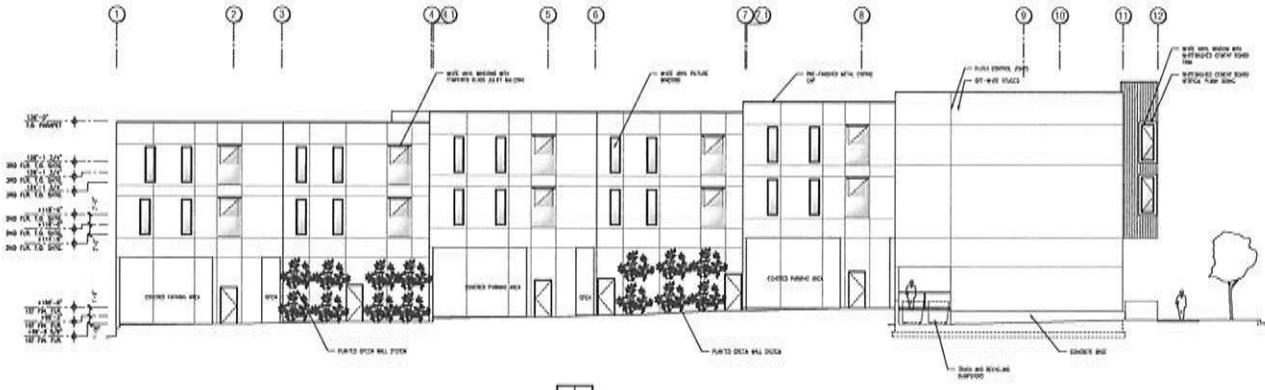
1. UNFINISHED LAUNDRY FACILITY NOT SHOWN.
2. FIBER CONCRETE BLOCK, 12 CYCLES, 8" DIA.
3. FORM CONCRETE, 4" MIN. THICK BARS IN 24" ON 24" SQUARE PLAN BY 24" DIA.
4. EXACT GLASS ALUMINUM STRAIGHT BARS.
5. FIN. FINISH WITH FINISH LIP.
6. FINISH CONCRETE BLOCK SYSTEM.
7. CHANGING ROOMS, 10' x 14' x 11'.
8. 2" DIA. BRICK AND OTHER 2" DIA. PARTS FROM SHOWN PLAN (1/2" DIA).
9. 4" BRICK CONCRETE CORE SYSTEM.
10. 1/2" DIA. BRICK, 8" DIA.
11. 1/2" DIA. BRICK, 8" DIA.
12. 1/2" DIA. BRICK, 8" DIA.
13. 1/2" DIA. BRICK, 8" DIA.
14. 1/2" DIA. BRICK, 8" DIA.
15. 1/2" DIA. BRICK, 8" DIA.

GENERAL NOTES

1. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
2. WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
3. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
4. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
5. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
6. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
7. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
8. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
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10. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
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12. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
13. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
14. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.
15. ALL WORK IS TO BE DONE BY THE CONTRACTOR AND SHALL BE TO ALL STANDARDS INCLUDING VERTICALS SHALL NOT VARY IN ANY MANNER.



1 WEST EXTERIOR ELEVATION



2 SOUTH EXTERIOR ELEVATION

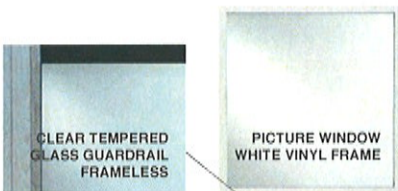
PROJECT
1401 IDAHO
 1401 W. IDAHO STREET
 BOISE, IDAHO 83702

DATE
 NOVEMBER 23, 2010
 DRAWN BY
 DAVID RUBY, AIA

A5.1
 EXTERIOR ELEVATIONS



CORNER VIEW
14th AND IDAHO



UPPER FLOOR FENESTRATION



OPERABLE BALCONY WINDOW WHITE VINYL FRAME
TILT-TURN OPERABLE BALCONY WINDOW WHITE VINYL FRAME



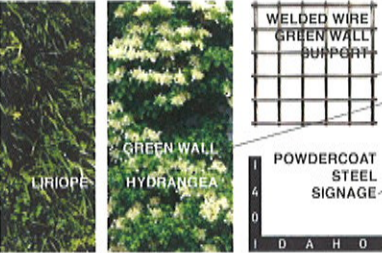
OR CEMENT BOARD SIDING
OR CAMELIA WOOD SIDING
OR IPE SIDING VERTICAL 1X4 WHITEWASHED CONCEALED FASTENERS



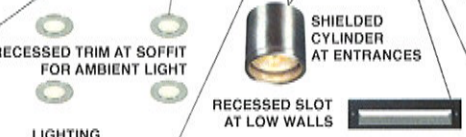
KAWNEER TRIFAB 451 FRONT GLAZED STOREFRONT BLACK MULLIONS CLEAR GLASS
OR IPE SIDING VERTICAL 1X4 WHITEWASHED



CEMENTITIOUS STUCCO OFF-WHITE SANDPAPER FINISH
HAIRLINE CONTROL JOINTS



STREET LEVEL MATERIALS AND STOREFRONT



LIGHTING
RECESSED TRIM AT SOFFIT FOR AMBIENT LIGHT
SHIELDED CYLINDER AT ENTRANCES
RECESSED SLOT AT LOW WALLS



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



PARK SURFACE AND LANDSCAPE ELEMENTS



TYPICAL WALL SURFACES

1401 IDAHO EXTERIOR MATERIALS

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.

File Number: 14241739

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)

File Number: 14241739

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:

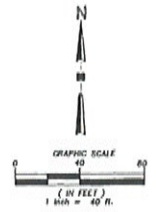
Lots 11 and 12 and the East 34 feet of Lot 10 in Block 114 of Boise City Original Townsite, according to the official plat thereof, filed in Book 1 of Plats at Page 1, official records of Ada County, Idaho.

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

R.O.S.# 9014

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 1:28 PM AT THE REQUEST OF QUADRANT CONSULTING.
 AND DULY RECORDED AS INSTRUMENT NO. 111068897
 J. DAVID NAVARRO, ADA COUNTY RECORDER
 BY DEPUTY Christopher D. Rich
 REC 49.00



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
- REFERENCE MARKER
- RM CALCULATED POINT
- PARCEL LINE
- - - STREET CENTERLINE

RECORD DATA

- BOISE CITY ORIGINAL TOWNSITE (BK. 1 PG. 1)
 WARRANTY DEED INSTRUMENT #105040660
 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 #8011

CERTIFICATE OF SURVEYOR

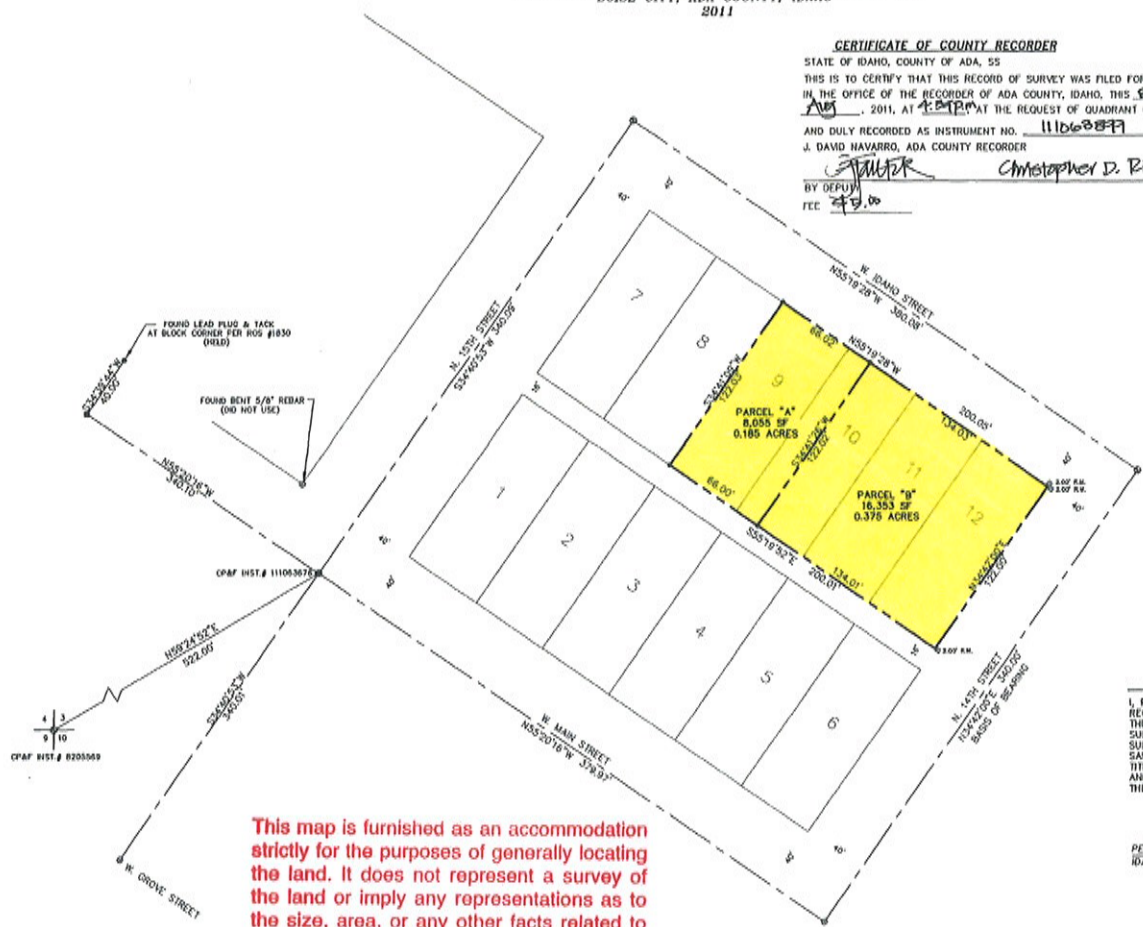
I, PETER W. LOUNSBURY DO HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR, LICENSED BY THE STATE OF IDAHO. THIS MAP REPRESENTS AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION AND IS AN ACCURATE REPRESENTATION OF SAID SURVEY AND COMPLES WITH THE REQUIREMENTS OF TITLE 55,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

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




Quadrant
 Consulting, Inc.
 1801 WEST OVELAND
 BOISE, IDAHO 83705
 (208) 342-0091 PHONE (208) 342-0092 FAX
 CIVIL ENGINEERING - SURVEYING

SURVEY INDEX NO. 321-3-3-1-1



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.

ADA COUNTY RECORDER Christopher D. Rich AMOUNT 5.00 1
BOISE IDAHO 08/08/11 04:39 PM
DEPUTY Che Fowler
RECORDED - REQUEST OF
Quadrant Consulting  111063899

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
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

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

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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.

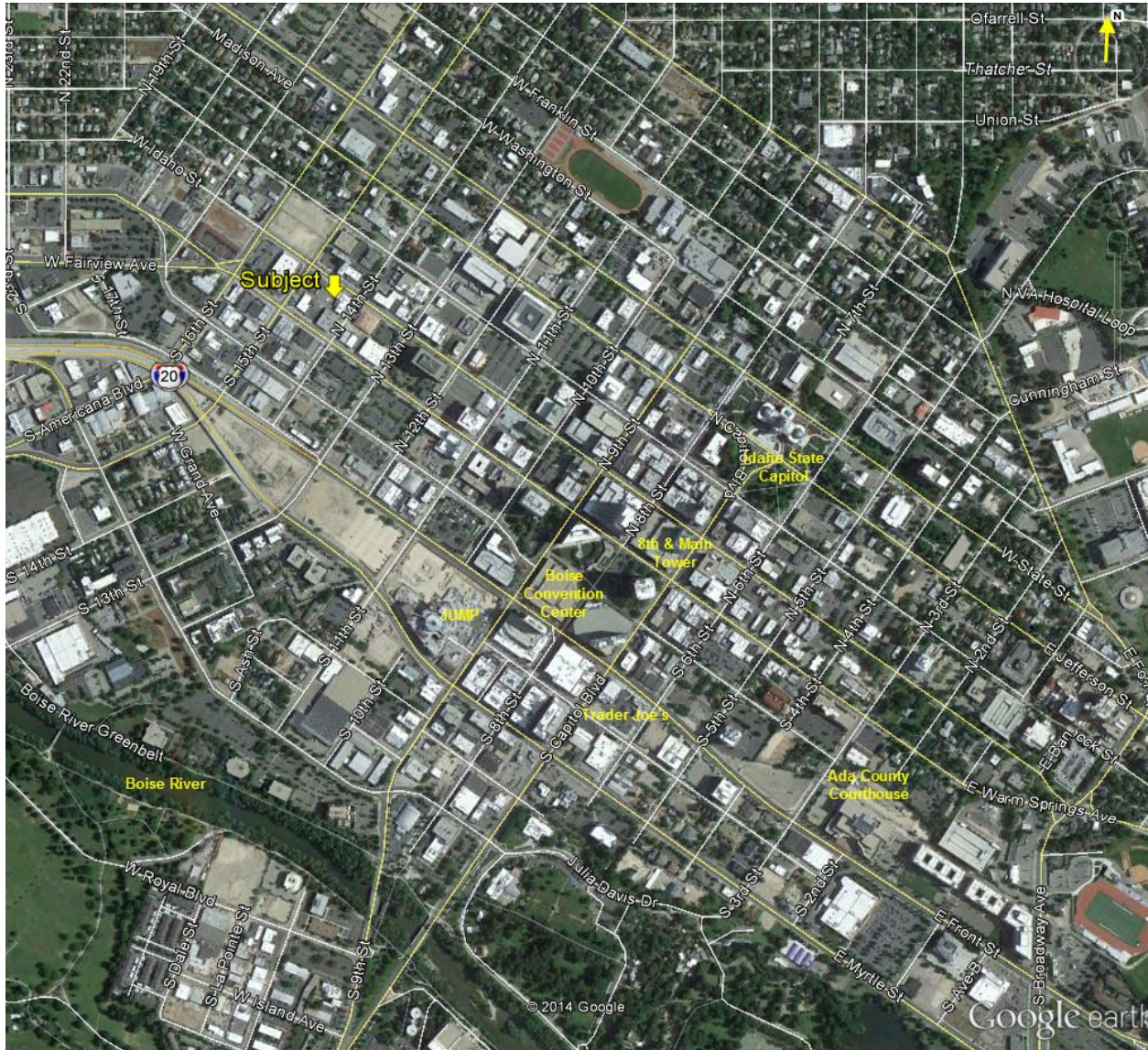
If any of these extraordinary assumptions are later proven to be false, the value conclusion(s) reported herein could be rendered invalid, and further valuation analysis would be warranted.

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

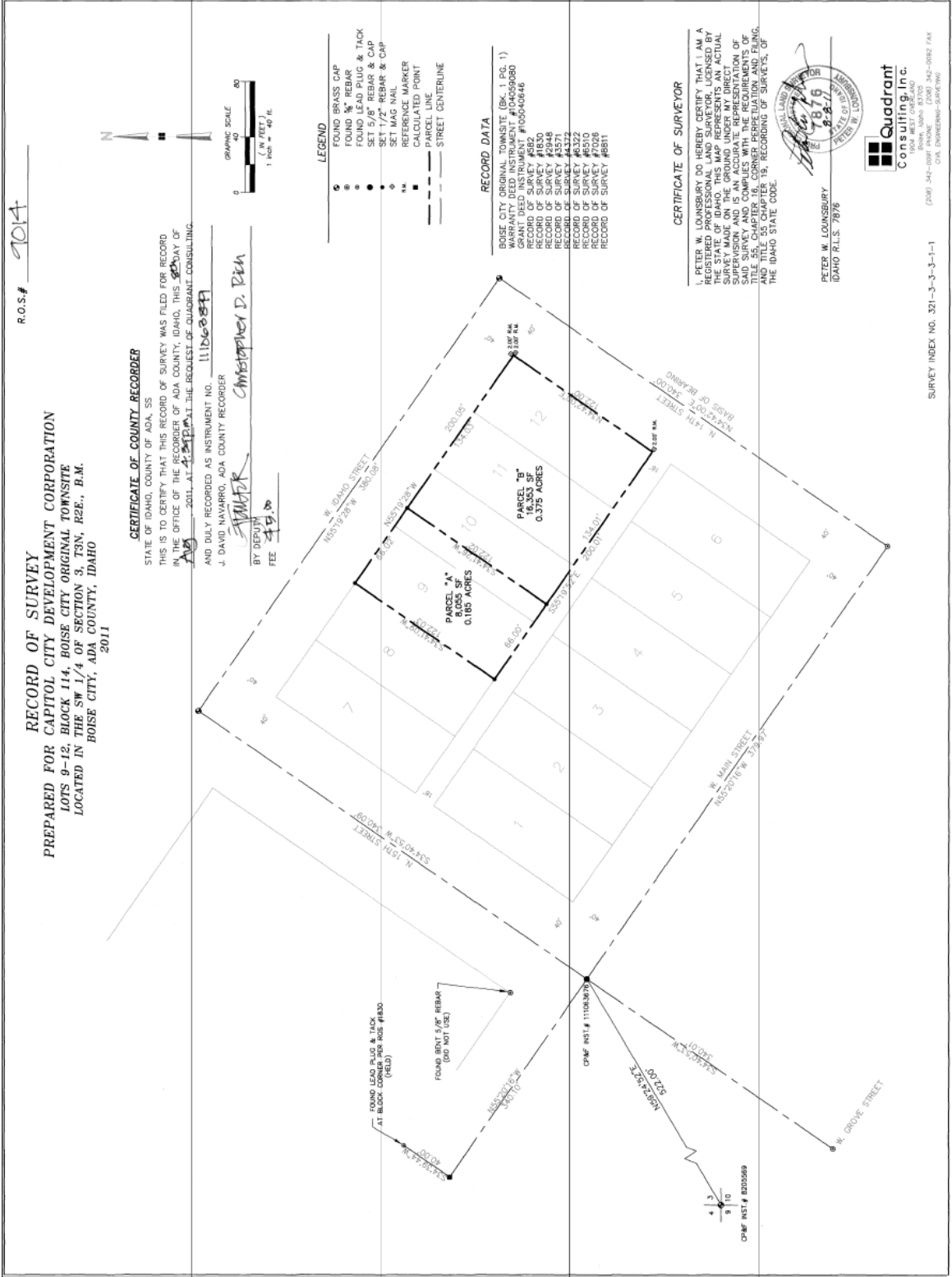
Assessor's Parcel Map



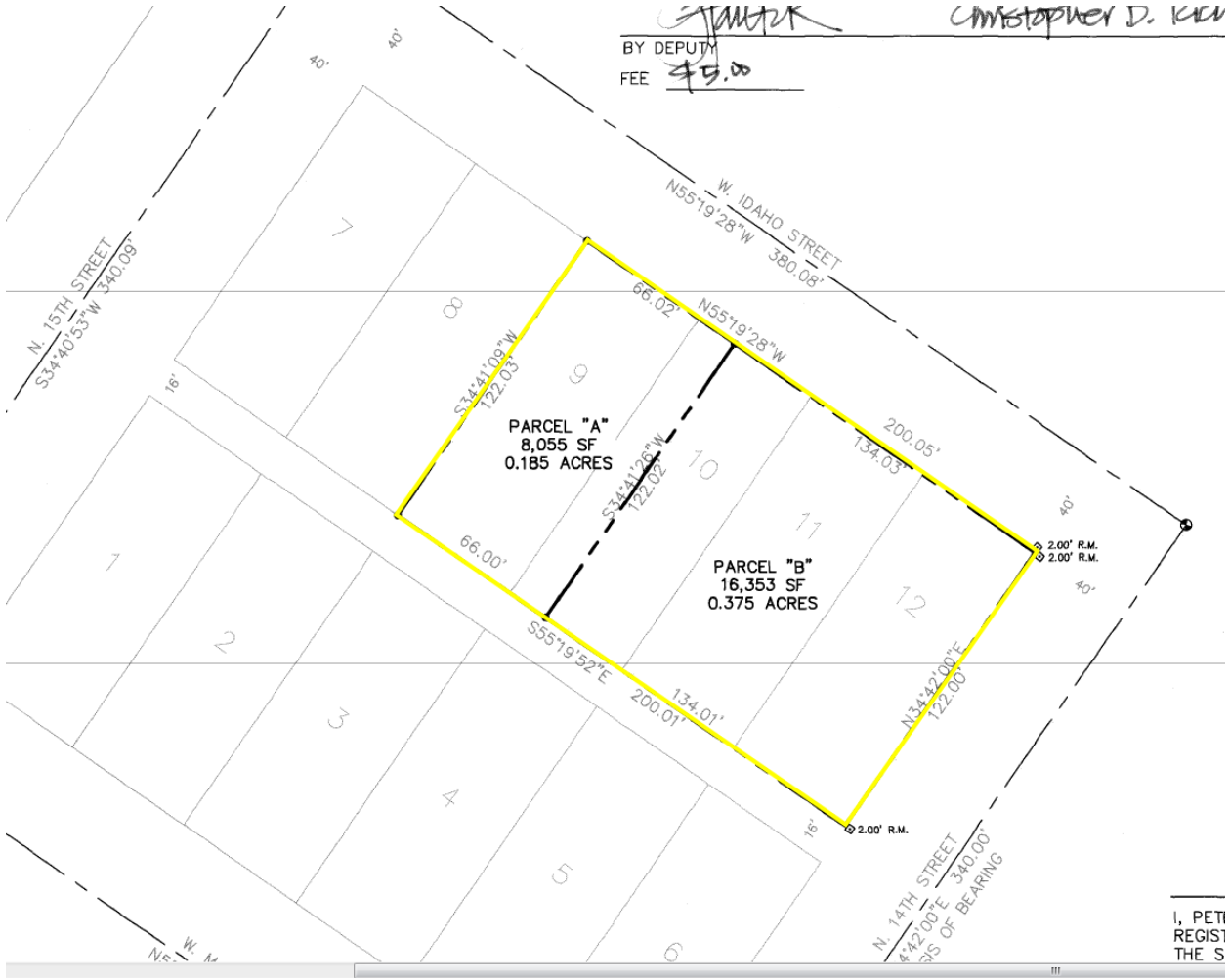
Assessor's Aerial Overlay



Record of Survey



Record of Survey
(Close-up)



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THE S

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		
<u>Apartments</u>	<u>GBA*</u>	<u>RBA</u>
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				
<u>Component</u>	<u>No. of Units</u>	<u>Avg. Unit Size</u>	<u>RBA</u>	<u>%</u>
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

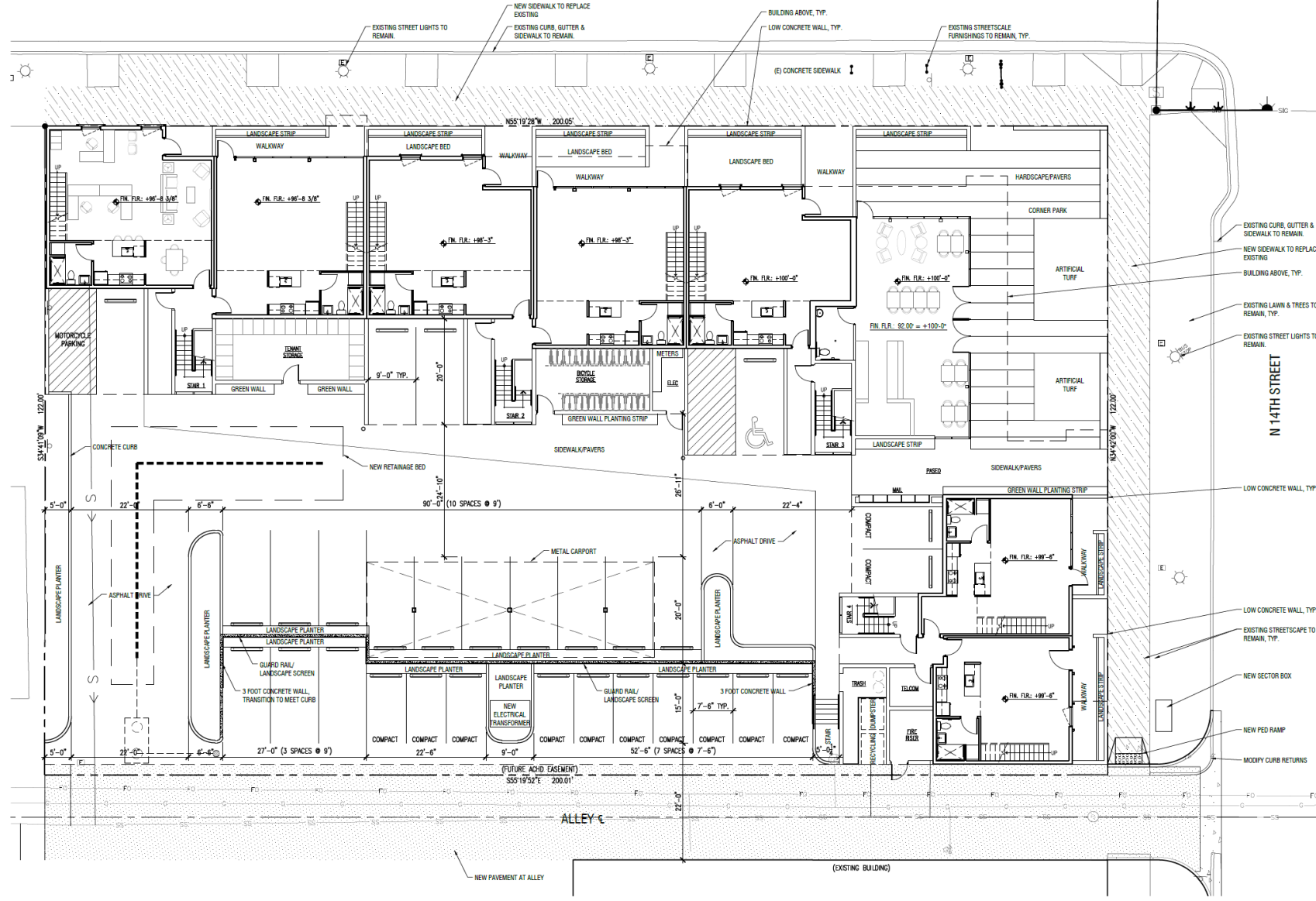
<u>Count</u>	<u>Floor</u>	<u>Unit</u>	<u>Unit Type</u>	<u>Unit Size</u>
1	1	C	Commercial	682
2	1	1	Live/work	1,096
3	1	2	Live/work	1,046
4	1	3	Live/work	1,096
5	1	4	Live/work	1,046
6	1	5	Live/work	1,036
7	1	6	Live/work	800
8	1	7	Live/work	720
9	2	201	1x1	650
10	2	202	Studio	500
11	2	203	2x2	780
12	2	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"

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

1309 SW 11th Avenue
No. 2004
Portland Oregon
97203
beebeskidmore.com
(503) 222-6940

**BEE-
ESKID-
MORE**

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

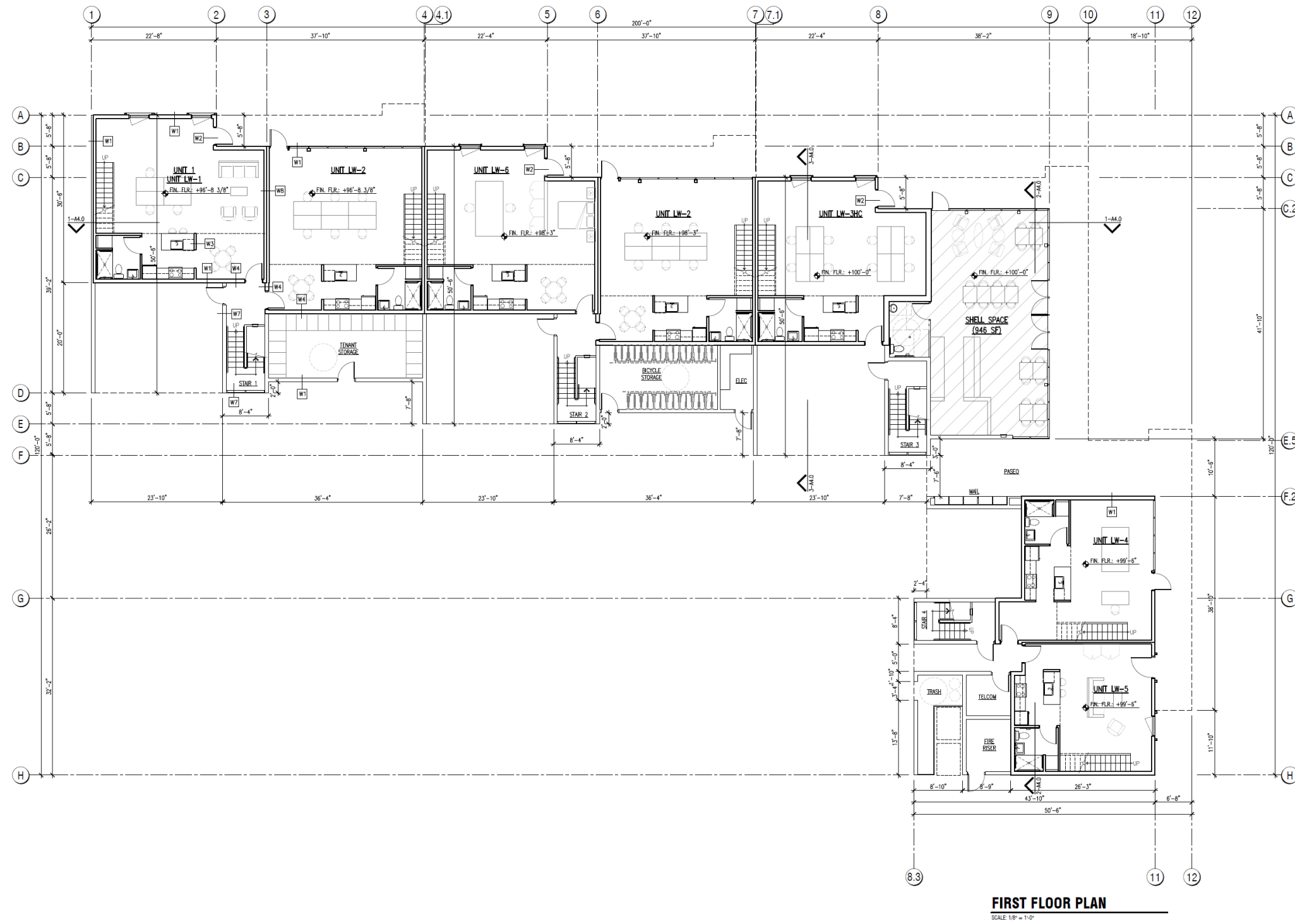
REVISIONS

SHEET
A1.0
ARCHITECTURAL SITE PLAN

PROJECT SUMMARY

LOT AREA: ±24,408 S.F. (.56 ACRES)	TOWNSHIP/RANGE/SECTION: T3N10	TOTAL BUILDINGS: 1	PROPOSED PARKING:
ZONING (CURRENT/PROPOSED): C1-DD/C-500	FRONT YARD SETBACK: 0 FT.	TOTAL UNITS: 37	TOTAL PARKING STALLS REQUIRED/PROVIDED: 44/29
PARCEL No.: R1013007656	STREET SIDE YARD SETBACK: 0 FT.	LIVE/WORK: 7 (19%)	TOTAL ACCESSIBLE STALLS REQ'D/PROVIDED: 1/1
TOWNSHIP/RANGE/SECTION: T3N10	SIDE YARD SETBACK: 0 FT.	1 BDRM 1 BATH: 6 (16%)	TOTAL COMPACT STALLS: 12
PARCEL No.: R1013007651	REAR YARD SETBACK: 0 FT.	2 BDRM 2 BATH: 14 (38%)	TOTAL COVERED STALLS REQ'D/PROVIDED: 0/12
	MAXIMUM BUILDING HEIGHT: NONE	3 BDRM 2 BATH: 8 (22%)	BICYCLE PARKING REQUIRED/PROVIDED: 37/38
	ACTUAL BUILDING HEIGHT: 45 FT.		

First Floor Plan



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 BOISE, IDAHO 83702



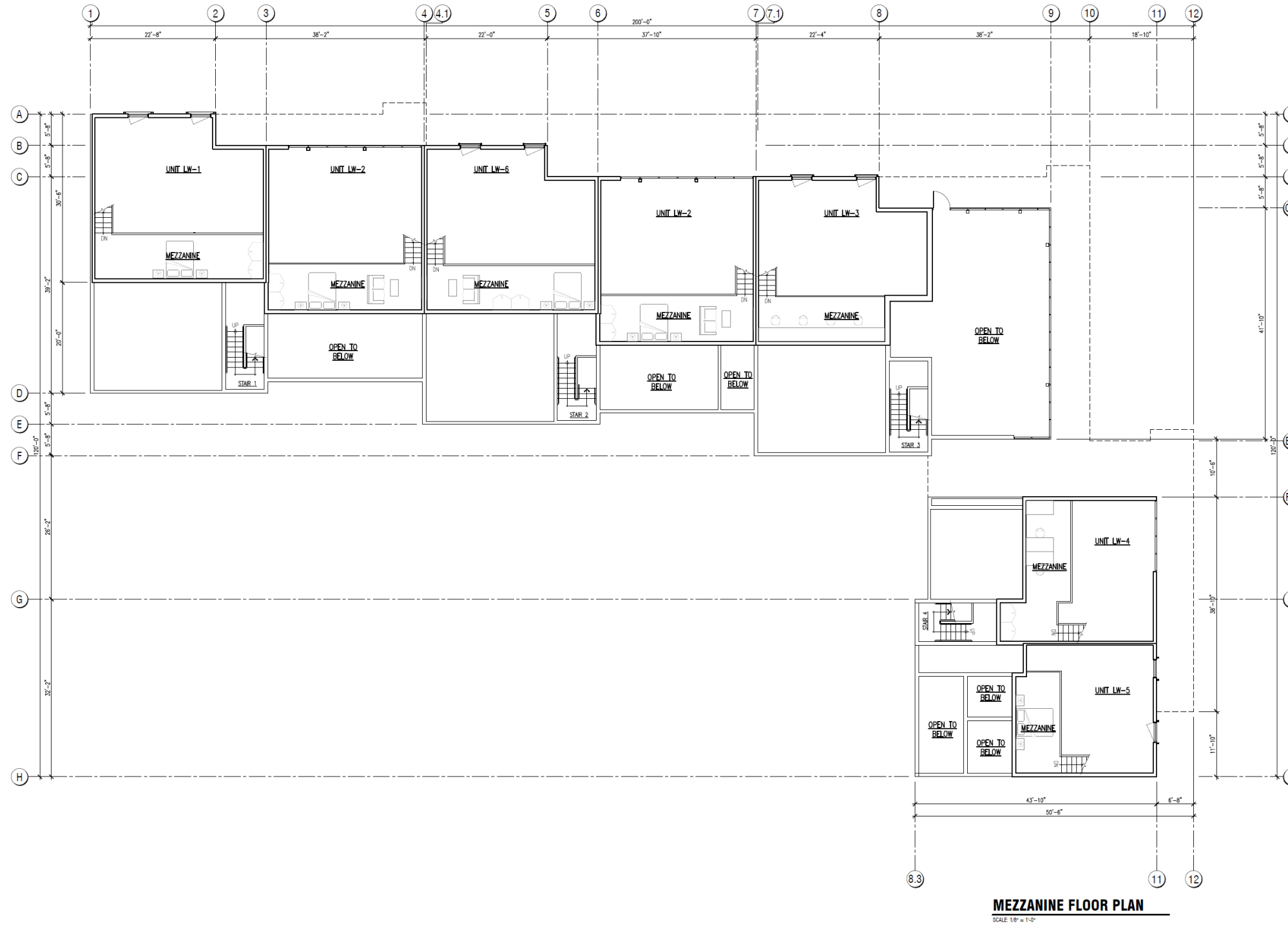
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FILE
 DATE: SEPTEMBER 25, 2015
 PLAN NO: 15-021 A2.0
 DESIGNER: DAVID RUBY, AIA

REVISIONS

SHEET
A2.0
 FIRST FLOOR PLAN

Mezzanine Floor Plan



490 MAIN STREET (208) 343-2931
 BOISE, IDAHO 83702 TAD@TADAO.COM

BEE SKID-MORE
 ARCHITECTS
 1500 SW 11th Avenue
 No 2004
 Portland Oregon
 97205
 beebekidmore.com
 (503) 222-0580

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1401 IDAHO
 1401 W. IDAHO STREET
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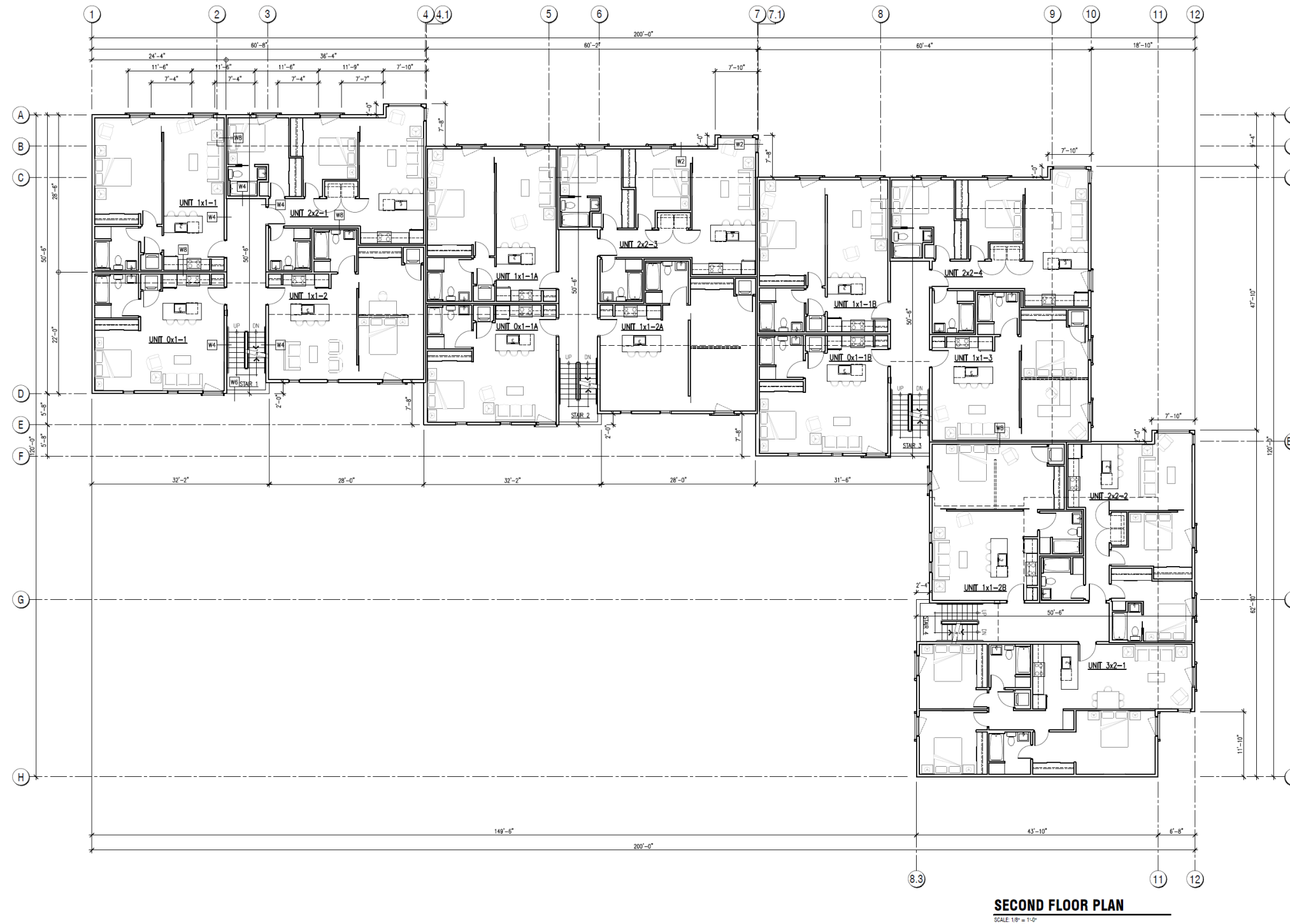
FILE
 DATE: SEPTEMBER 25, 2015
 PLAN NO: 15-621 A2.0
 DRAWN: DAVID RUBY, AIA

REVISIONS

SHEET

A2.1
 MEZZANINE FLOOR PLAN

Second Floor Plan



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



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 No 2024
 Portland Oregon
 97201
 beebekidmore.com
 (503) 222-8580

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 BOISE, IDAHO 83702



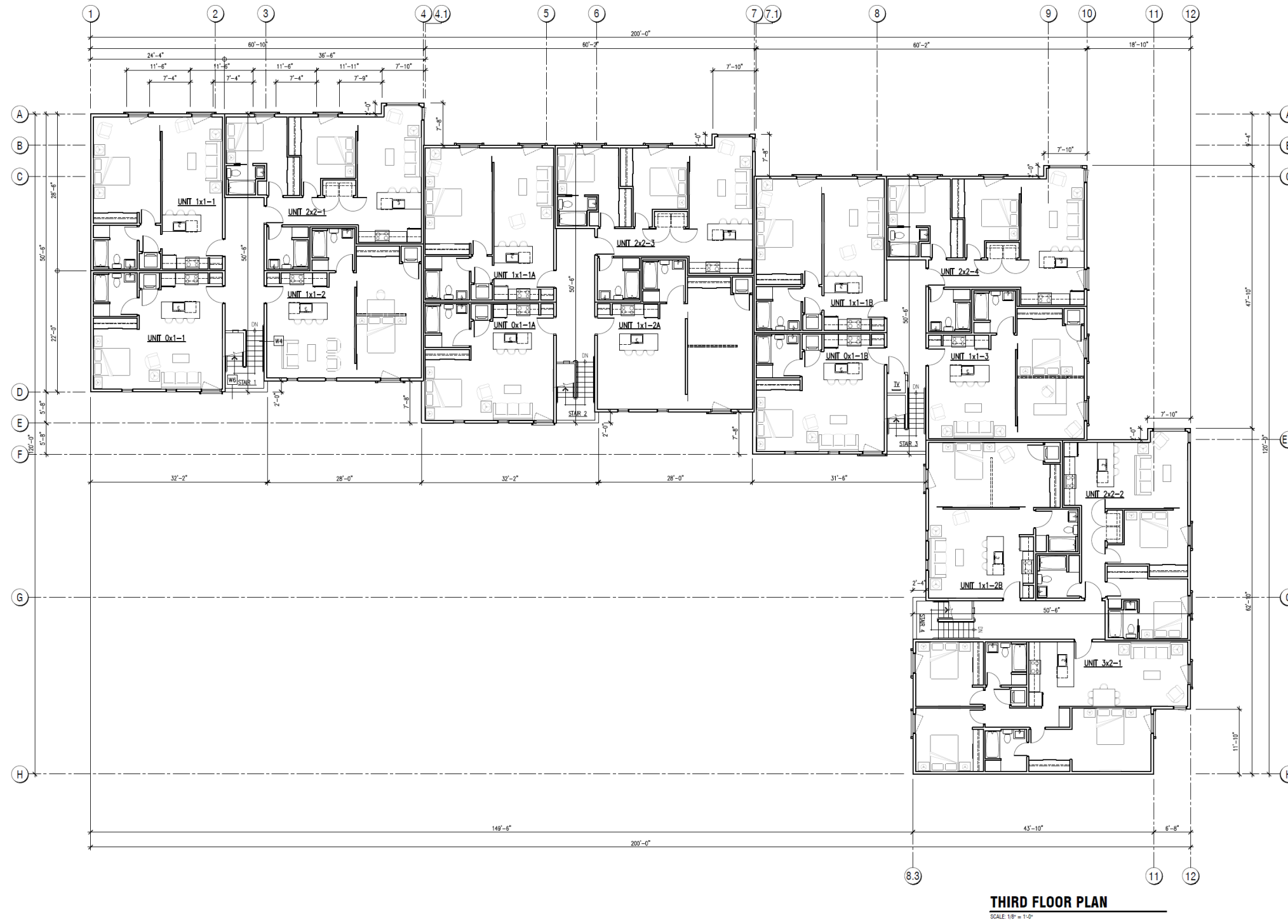
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REVISIONS

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

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 1401 W. IDAHO STREET
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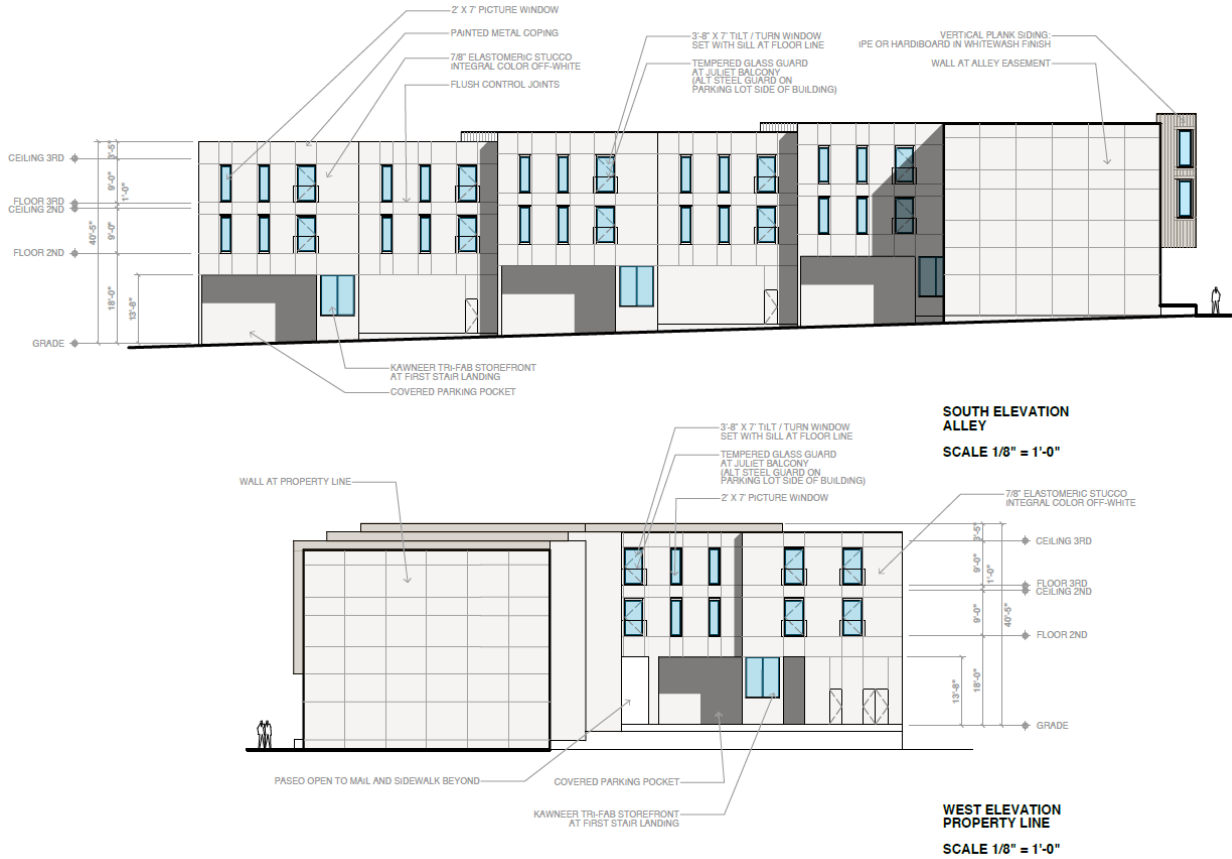
REVISIONS

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.

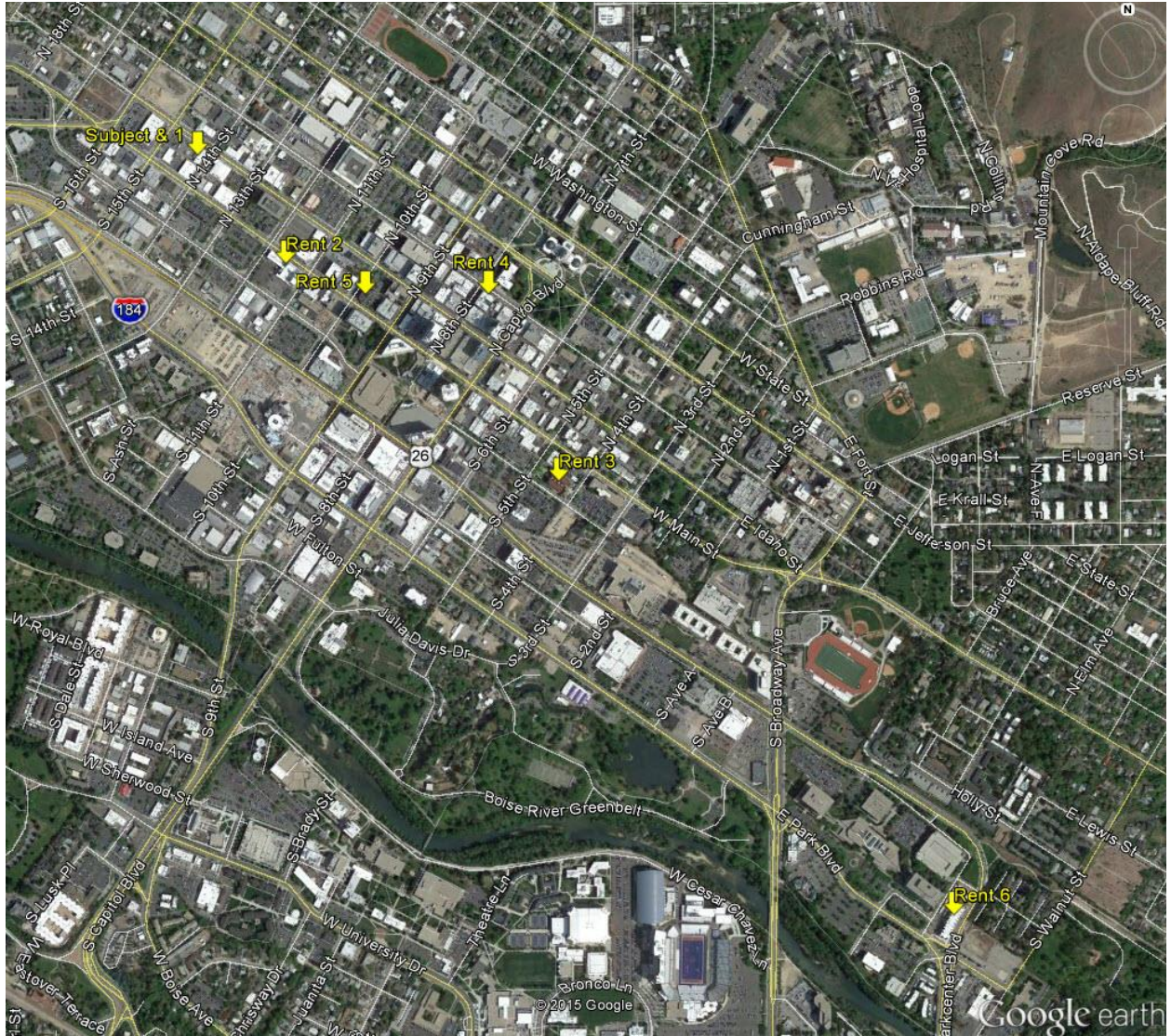
1BR/1BA Apartment Rent Comparable Summation Table



	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.

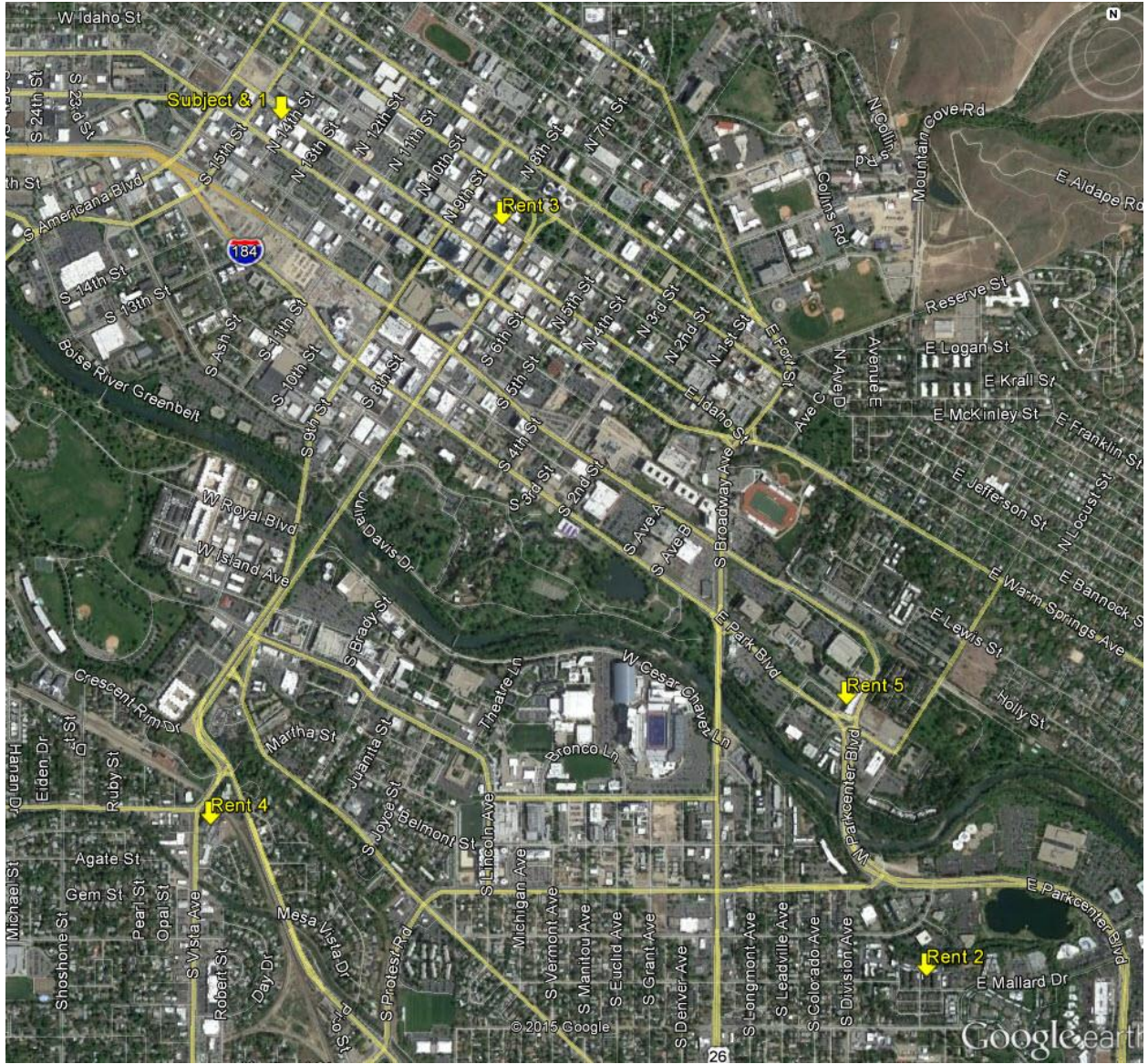
2BR/2BA Apartment Rent Comparable Summation Table



	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.

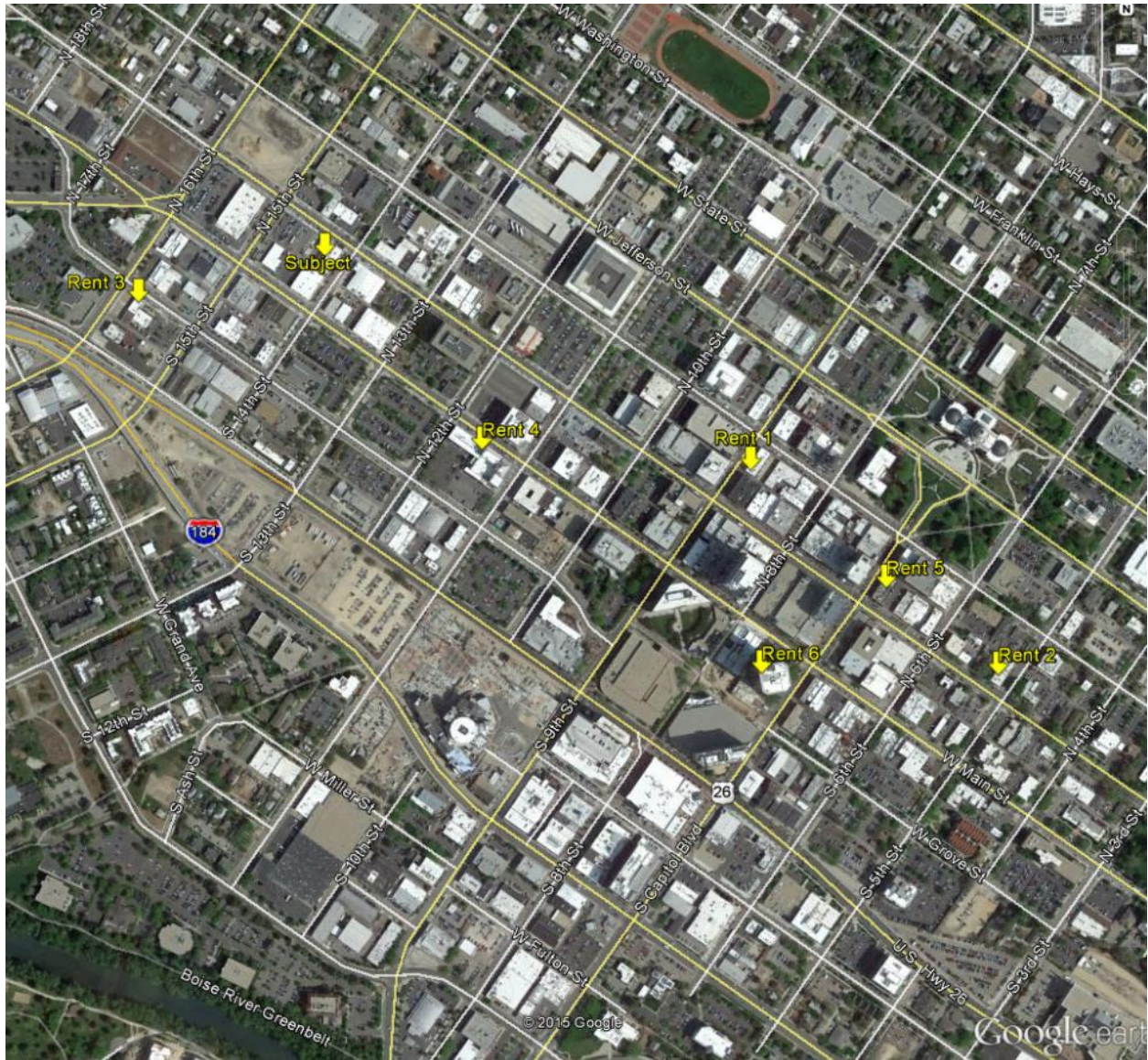
Presentation – Presented on the following pages are the Rent Comparable Summation Table, Rent Comparable Map, the discussion and analysis of the comparables, and conclusion(s) of market rent for the subject.

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								
Lease type	NNN	No adjust. necessary	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%
Escalations	Typical	No adjust. necessary	Unk	0%	+2.5%/yr	0%	+3%/yr	0%
Concessions	None	Eff. rent equivalent	1 mo free rent	-3%	None	0%	None	0%
Location	Good	Paired rents	Superior	-10%	Superior	-20%	Superior	-20%
Tenant size (rsf)	682	No adjust. necessary	1,326	0%	765	0%	2,834	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%
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%
Parking ratio	Leased seperately	No adjust. necessary	None	0%	None	0%	4.4	0%
Land & site improvement ratio	0.6	No adjust. necessary	2.0	0%	1.0	0%	3.5	0%
Other		No adjust. necessary		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).

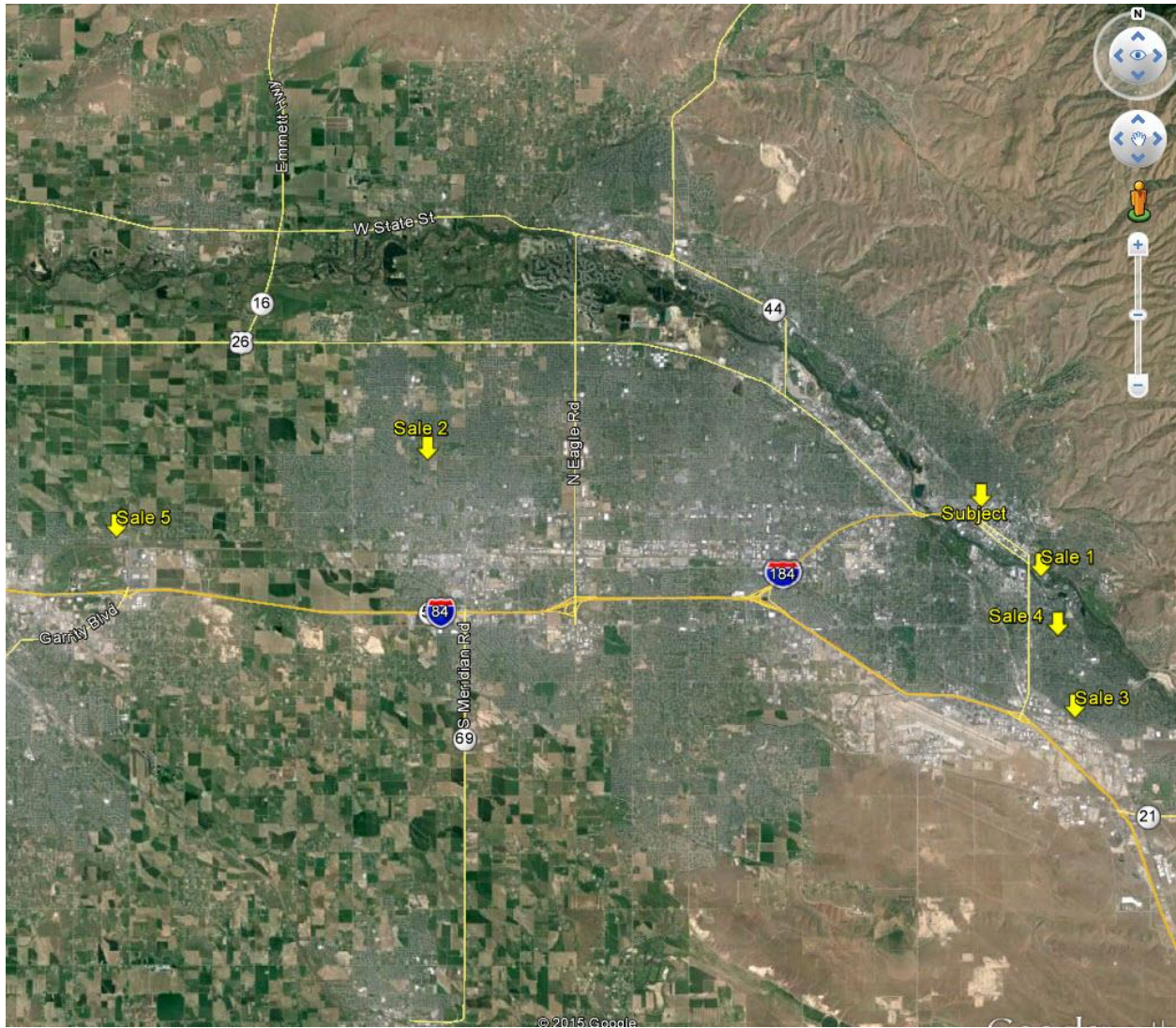
Presentation

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.

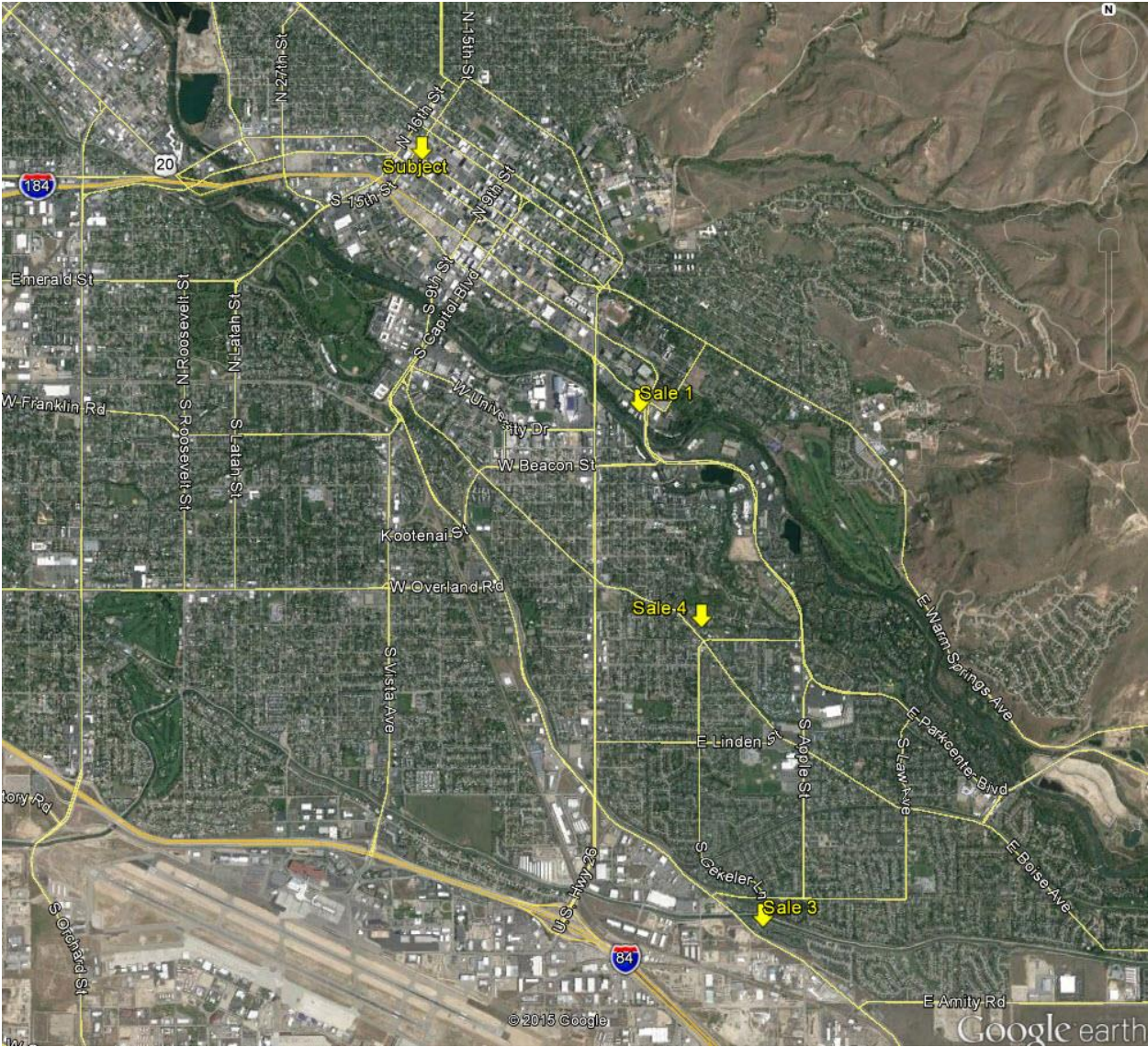
Comparable Sale Summation Table

						
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

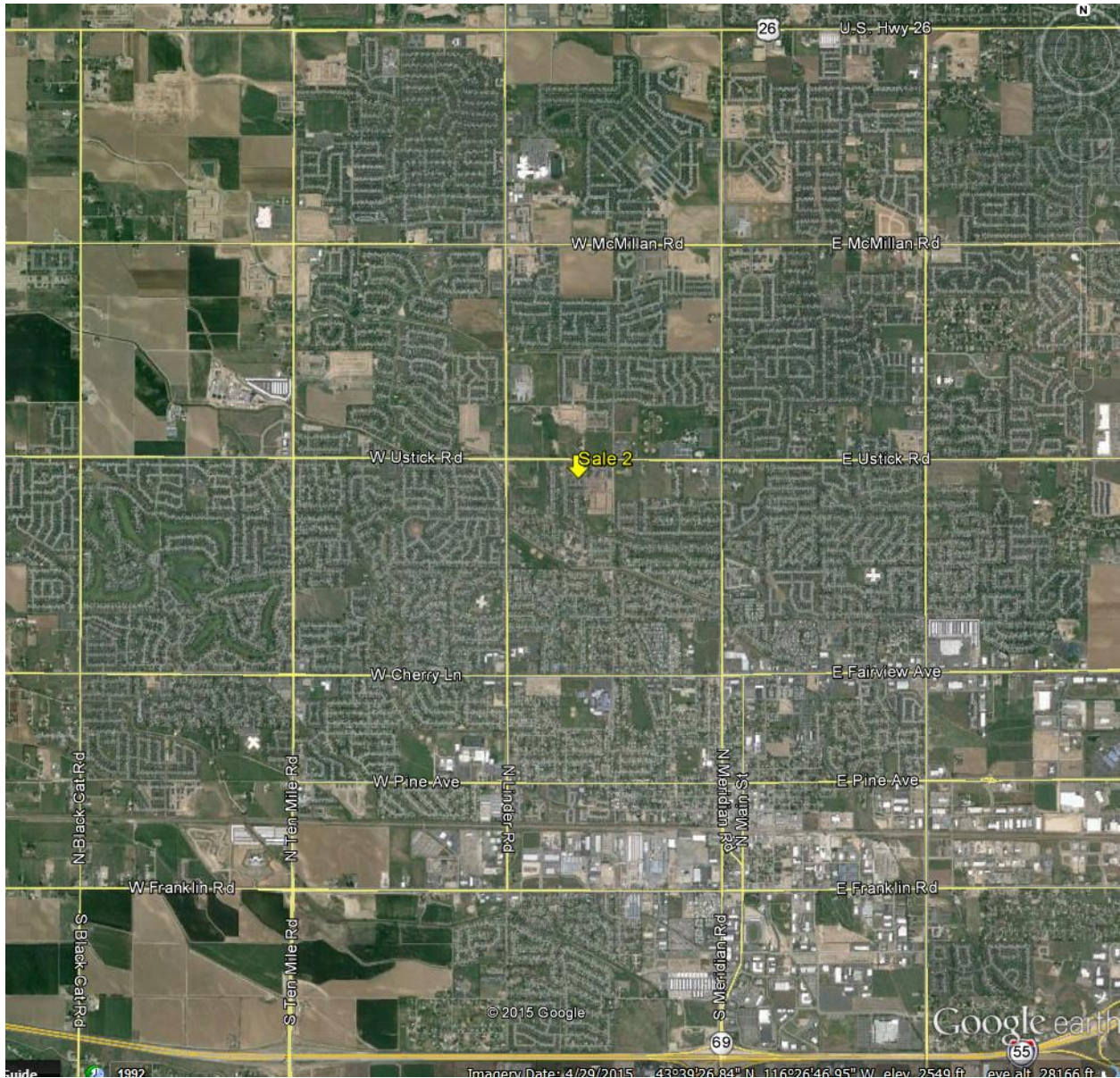
Sale Comparable Map Boise MSA



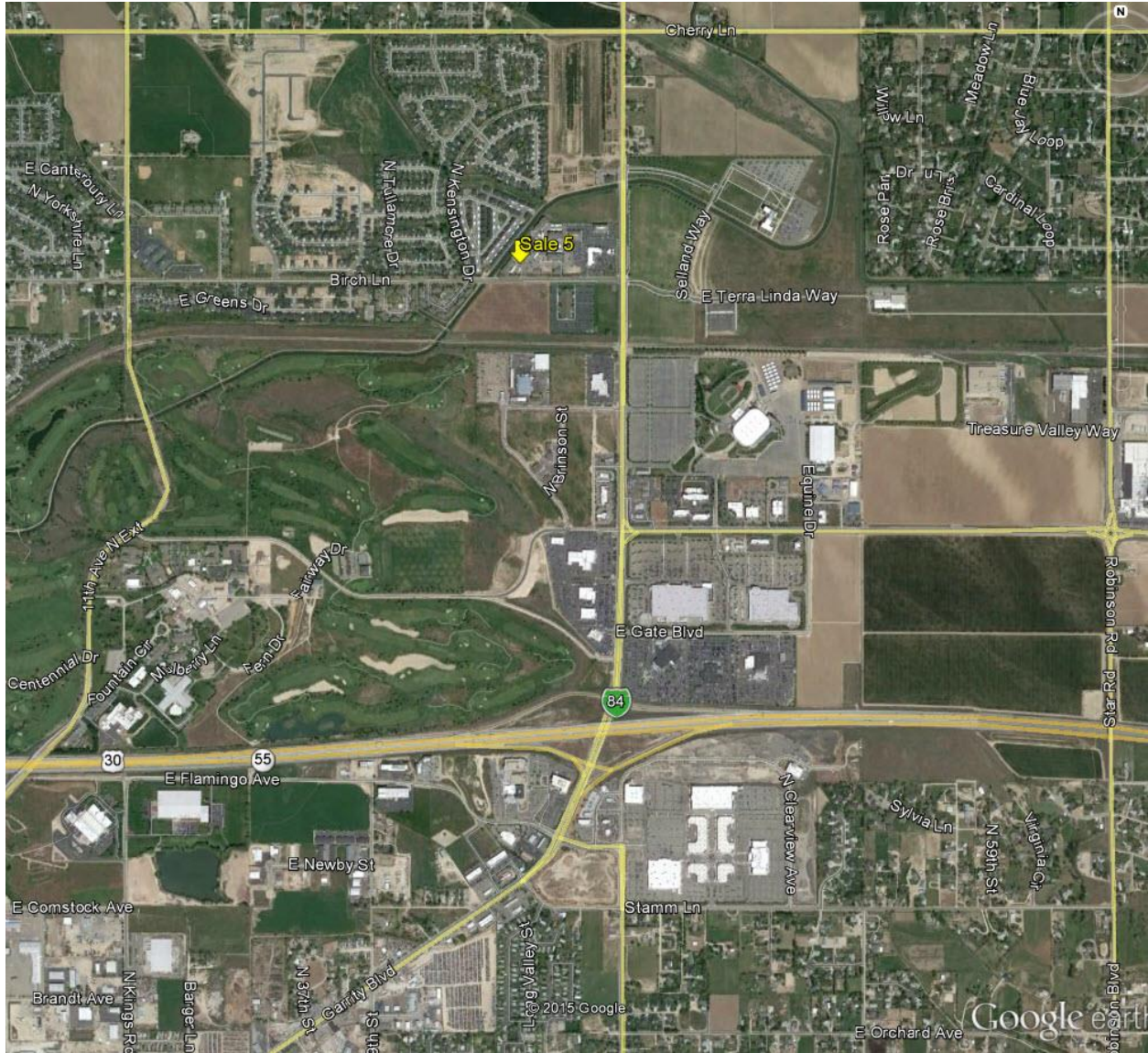
Sale Comparable Map Boise



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.
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- 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~~ ~~XXXXXXXXXXXX~~ 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@ccdcbiose.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.bemoreskid.com

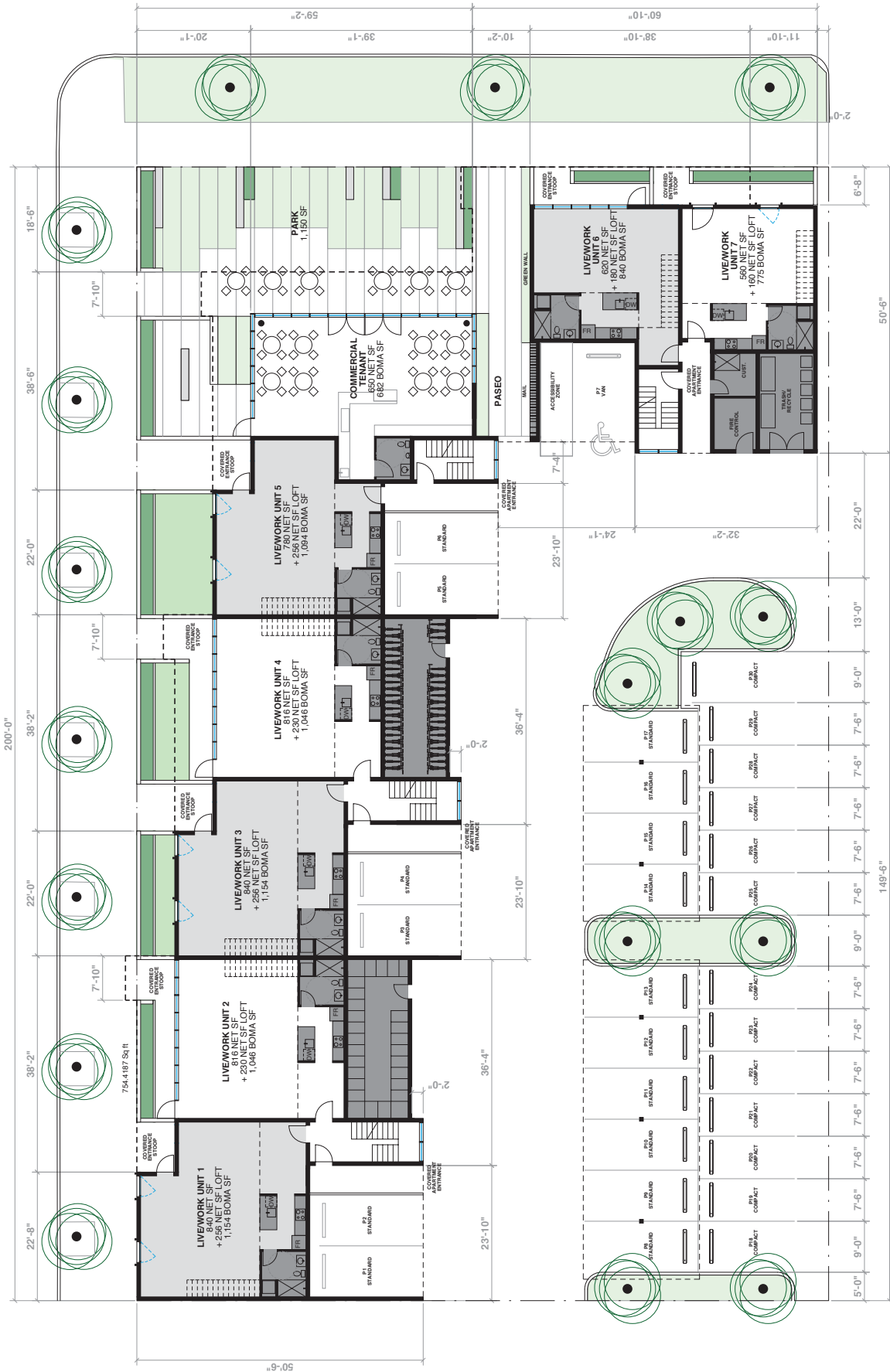
1401 Idaho Apartments
1401 Idaho
Pocatello, Idaho 83202
AUG 24 2015
R. B. BROWN



**CORNER VIEW
14th AND IDAHO**



1401 Idaho Apartments
 Project Name
 15009 19th Avenue
 Boise, Idaho 83725
 2015.08.24
 Issue Date
 AUG 24 2015
 Revision:



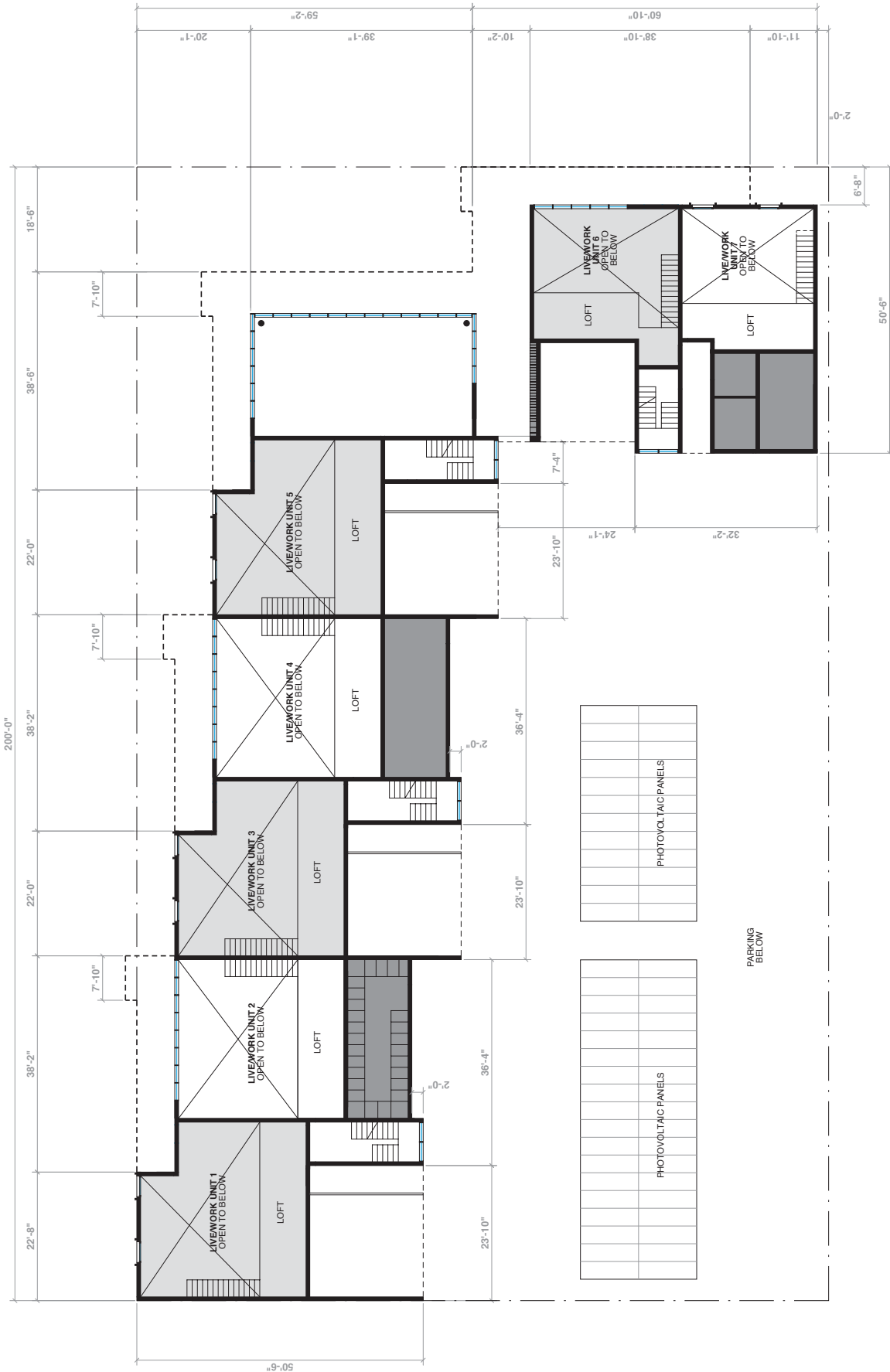
GROUND FLOOR LEVEL - 8,316 GSF
 TOTAL COVERAGE = 11,967 GSF
 SCALE 1/8" = 1'-0"



1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, Idaho 83702
 (208) 333-6880

1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, Idaho 83702
 (208) 333-6880

1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, Idaho 83702
 (208) 333-6880

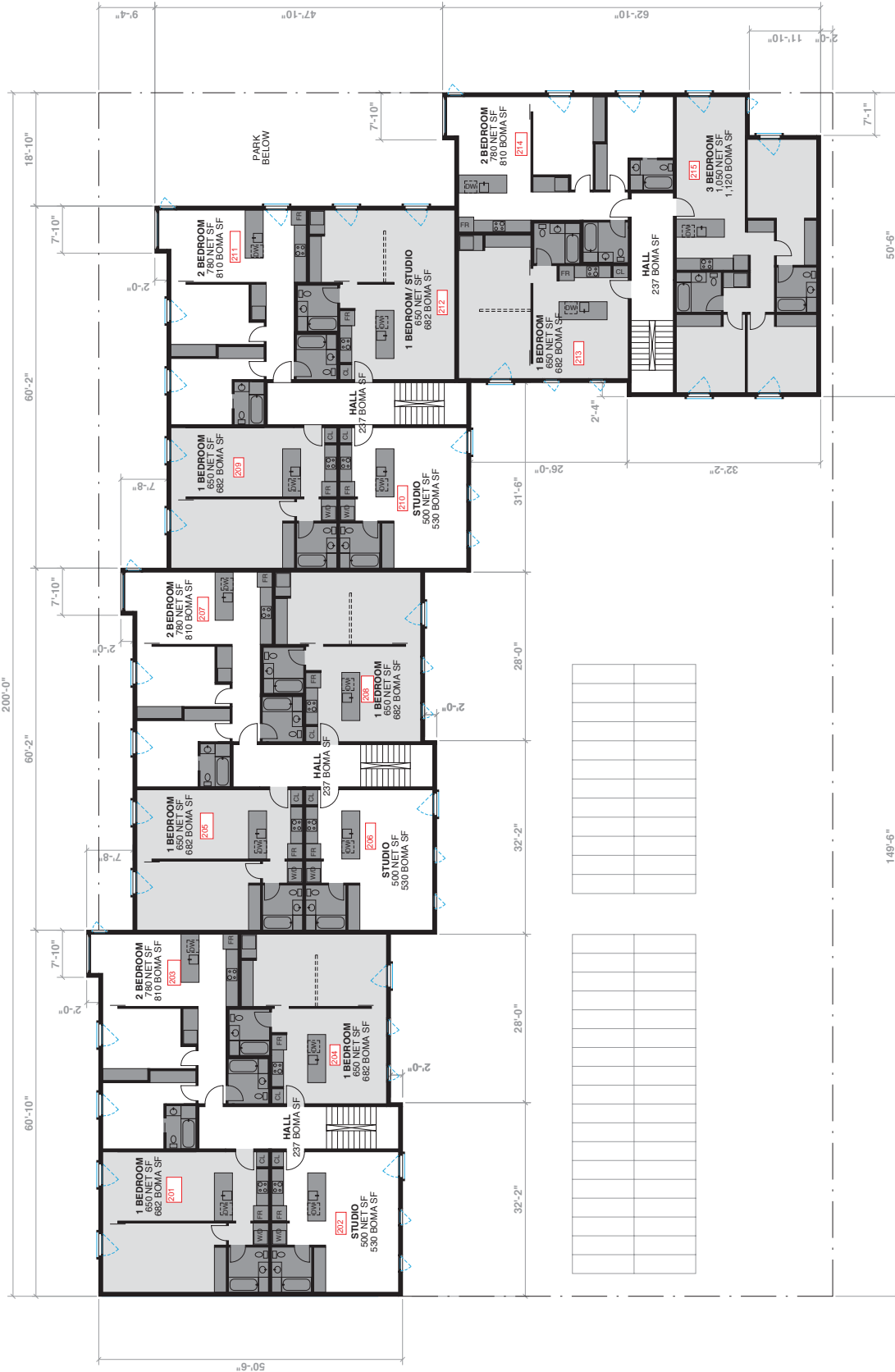


MEZZANINE LEVEL
 SCALE 1/8" = 1'-0"



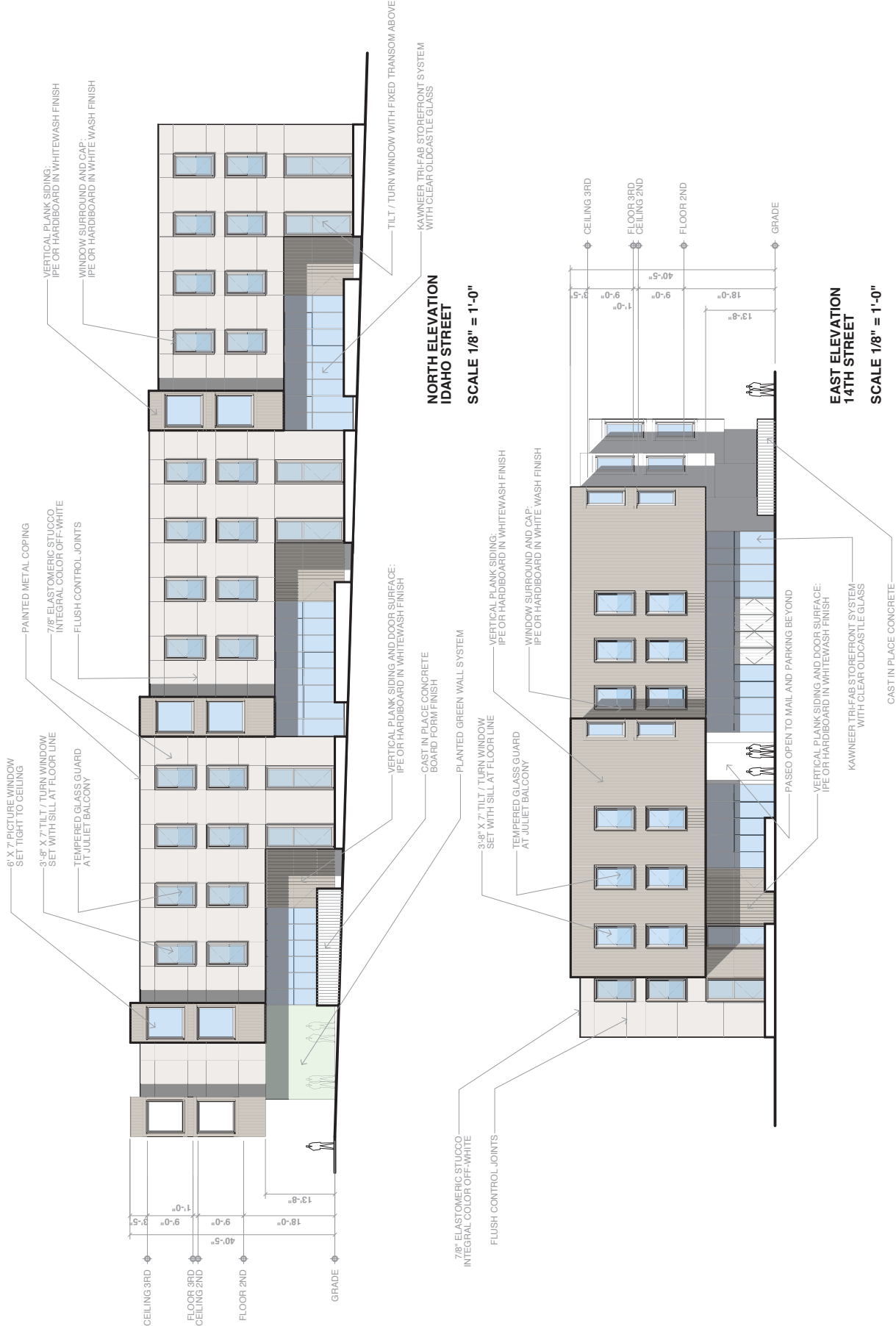
1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, ID 83702
 2015
 Project Director
 M. Zuck
 208.333.8880
 1401 Idaho Apartments
 1401 W. Idaho Street
 Boise, ID 83702
 2015
 Project Director
 M. Zuck
 208.333.8880

Issue#1
 AUG 24 2015
 Revisions:



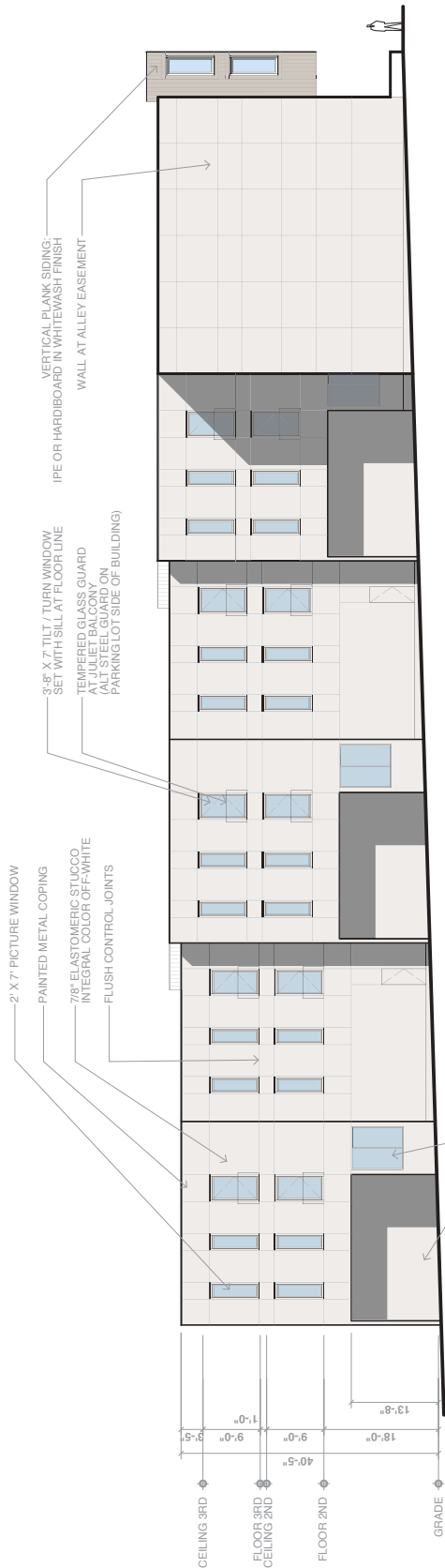
FLOOR LEVEL 2 - 11,967 GSF
 FLOOR LEVEL 3 - 11,967 GSF
 SCALE 1/8" = 1'-0"

149'-6"



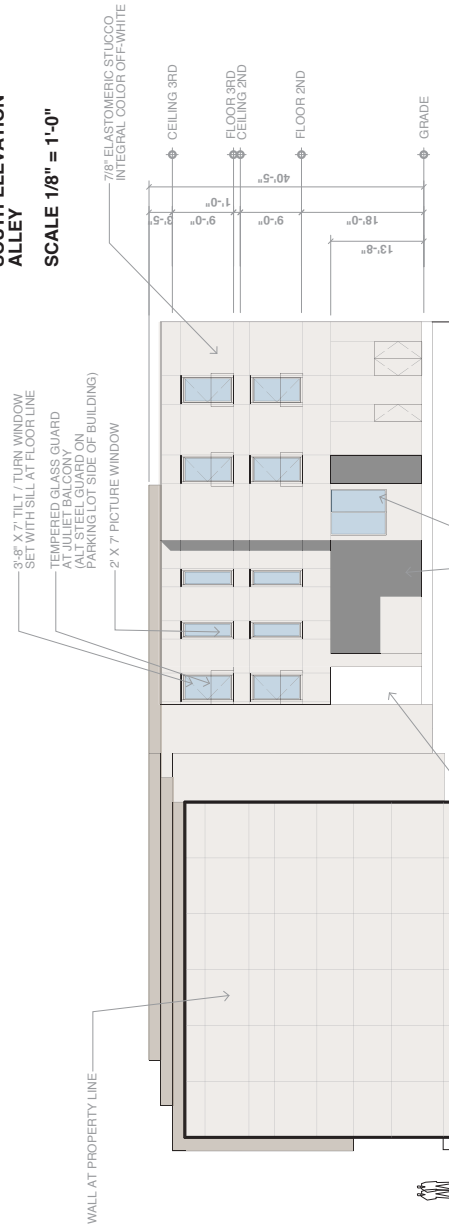


1401 Idaho Apartments
 1401 22nd Avenue
 Boise, Idaho 83702
 AUG 24 2015
 150001



**SOUTH ELEVATION
 ALLEY**

SCALE 1/8" = 1'-0"



**WEST ELEVATION
 PROPERTY LINE**

SCALE 1/8" = 1'-0"

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)

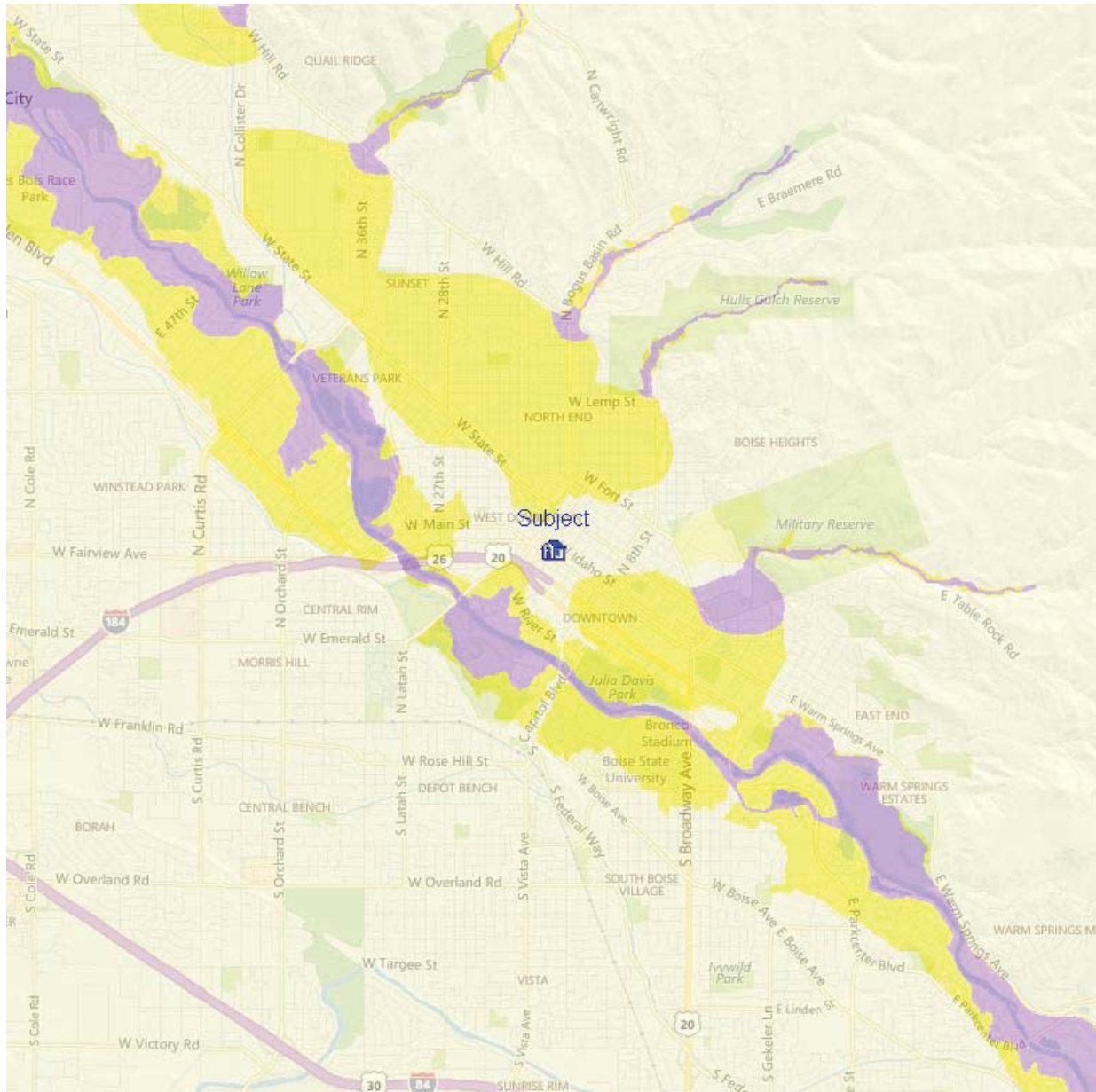
Loan Amount	\$4,500,000
Equity Requiren	\$2,435,929
Interest Rate	4.50%

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)



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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

Valbridge Property Advisors | Penner & Associates, Inc.
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

CONNECTICUT

Valbridge Property Advisors | Italia & Lemp, Inc.
6 Central Row, Third Floor
Hartford, CT 06103-2701
860-246-4606

17 High Street, Suite 214
Norwalk, CT 06851
203-286-6520

FLORIDA

Valbridge Property Advisors | Armalavage Valuation, LLC
2240 Venetian Court
Naples, FL 34109
239-514-4646

Valbridge Property Advisors | Beaumont, Matthes & Church, Inc.
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

Valbridge Property Advisors | Cantrell Miller, LLC
2675 Paces Ferry Road, Suite 145
Atlanta, GA 30339
678-644-4853

IDAHO

Valbridge Property Advisors | Auble, Jolicœur & Gentry, Inc.
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

Valbridge Property Advisors | Mitchell Appraisals, Inc.
820 Fort Wayne Avenue
Indianapolis, IN 46204
317-687-2747

KANSAS

Valbridge Property Advisors | Shaner Appraisals, Inc.
10990 Quivira, Suite 100
Overland Park, KS 66210
913-451-1451

KENTUCKY

Valbridge Property Advisors | Allgeier Company
214 South 8th Street, Suite 200
Louisville, KY 40202
502-585-3651

LOUISIANA

Valbridge Property Advisors | Argote, Derbes, Graham, Shuffield & Tatje, Inc.
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

MASSACHUSETTS

Valbridge Property Advisors | Bullock Commercial Appraisal, LLC
21 Muzzev Street, Suite 2
Lexington, MA 02421
781-652-0700

MICHIGAN

Valbridge Property Advisors | The Oetzel-Hartman Group
2127 University Park Drive, Suite 390
Okemos, Michigan 48864
517-336-0001

MINNESOTA

Valbridge Property Advisors | Mardell Partners, Inc.
120 South 6th Street, Suite 1650
Minneapolis, MN 55402
612-253-0650

NEVADA

Valbridge Property Advisors | Lubawy & Associates, Inc.
3034 S. Durango Drive, Suite 100
Las Vegas, NV 89117
702-242-9369

NEW JERSEY

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

Valbridge Property Advisors | Oxford Group
424 West 33rd Street, Suite 630
New York, NY 10001
212-268-1113

NORTH CAROLINA

Valbridge Property Advisors | John Bosworth & Associates, LLC
4530 Park Road, Suite 100
Charlotte, NC 28209
704-376-5400

Valbridge Property Advisors | Paramount Appraisal Group, Inc.
412 E. Chatham Street
Cary, NC 27511
919-859-2666

OHIO

Valbridge Property Advisors | Allgeier Company
9277 Centre Point Dr., Suite 350
West Chester, OH 45069
513-785-0820

Valbridge Property Advisors
1655 W. Market Street, Suite 130
Akron, OH 44313
330-899-9900

526 E. Superior Avenue, Suite 455
Cleveland, OH 44114
216-367-9690

OKLAHOMA

Valbridge Property Advisors | Walton Property Services, LLC
6666 South Sheridan Road, Suite 104
Tulsa, OK 74133
918-712-9992

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Valbridge Property Advisors | Barone, Murtha, Shonberg & Associates, Inc.
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

213 Fox Road
Knoxville, TN 37922
865-522-2424

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
214-446-1611

974 Campbell Road, Suite 204
Houston, TX 77024
713-467-5858

Valbridge Property Advisors
2731 81st Street
Lubbock, TX 79423
806-744-1188

UTAH

Valbridge Property Advisors | Free and Associates, Inc.
260 South 2500 West, Suite 301
Pleasant Grove, UT 84062
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

VIRGINIA

Valbridge Property Advisors | Axial Advisory Group, LLC
656 Independence Parkway, Suite 220
Chesapeake, VA 23320
757-410-1222

7400 Beaufort Springs Drive, Suite 300
Richmond, VA 23225
804-672-4473

5107 Center Street, Unit 2B
Williamsburg, VA 23188
757-345-0010

WASHINGTON

Valbridge Property Advisors | Allen Brackett Shedd
18728 Bothell Way, NE, Suite B
Bothell, WA 98011
425-450-4040

2927 Colby Avenue, Suite 100
Everett, WA 98201
425-258-2611

419 Berkeley Avenue, Suite A
Firorest, WA 98466
253-274-0099

506 Second Avenue, Suite 1001
Seattle, WA 98104
206-209-3016

Valbridge Property Advisors | Auble, Jolicœur & Gentry, Inc.
7601 West Clearwater Ave., Suite 320
Kennewick, WA 99336
509-221-1540

324 N. Mullan Road
Spokane Valley, WA 99206
509-747-0999

WISCONSIN

Valbridge Property Advisors | Vitale Realty Advisors, LLC
12660 W. North Avenue
Brookfield, WI 53005
262-782-7990

CORPORATE OFFICE

2240 Venetian Court
Naples, FL 34109

239-325-8234 phone
239-325-8356 fax

valbridge.com

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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

Recording Requested By and
When Recorded Return to:

Elam & Burke, P.A.
Attn: Ryan Armbruster
P.O. Box 1539
Boise, Idaho 83701

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF DISPOSITION AND DEVELOPMENT AGREEMENT (“**Memorandum**”) is made as of the ____ day of _____, 2016, by and between CAPITAL CITY DEVELOPMENT CORPORATION (“Agency”) and THE WATERCOOLER PROJECT, LLC, a Delaware Limited Liability Company (“Developer”), collectively the “Parties.”

1. Agency and Developer have previously entered into a Disposition and Development Agreement dated _____, 2016, regarding the development of the real property (the “Site”) described in Exhibit A, attached hereto and incorporated herein.

2. This Memorandum summarizes the Disposition and Development Agreement pursuant to Idaho Code Section 55-818 and incorporates by reference all of the terms and provisions of the Disposition and Development Agreement.

3. The terms, conditions and provisions of the Disposition and Development Agreement relating to the development of the Site shall extend to and be binding upon the heirs, executors, administrators, grantees, successors and assigns of the Parties hereto. The terms, conditions and provisions of the Disposition and Development Agreement relating to the development of the Site shall have no further application after the Agency has issued a Certificate of Completion.

4. This Memorandum shall have no further force or effect after Agency has issued a Certificate of Completion with respect to the Site described on Exhibit A attached hereto.

5. In the event of any conflict between the Disposition and Development Agreement and this Memorandum, the Disposition and Development Agreement shall control.

6. Capitalized terms used but not defined in this Memorandum shall have the same meanings ascribed for such capitalized terms in the Disposition and Development Agreement.

AGENCY:
THE CAPITAL CITY DEVELOPMENT CORPORATION

By _____
John Brunelle
Executive Director

_____, 2016

DEVELOPER:

The Watercooler Project, LLC
a Delaware limited liability company

By _____
Michael J. Brown

For LocalConstruct Advisors, LLC,
It's Manager

_____, 2016

STATE OF IDAHO)
) ss.
County of Ada)

On this _____ day of _____, 2016, before me, _____, the undersigned notary public in and for said county and state, personally appeared _____, known or identified to me to be the _____ of the Capital City Development Corporation, the public body corporate and politic, that executed the within instrument, and known to me to be the persons 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 Ada)

On this _____ day of _____, 2016, before me, _____, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the Manager of Local Construct Advisors, LLC, the Manager of The Watercooler Project, LLC, a Delaware limited liability company, 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 _____
Residing at _____
My commission expires _____

EXHIBIT A

Legal Description of Site
[to be inserted]

4833-4422-1228, v. 1



AGENDA BILL

Agenda Subject: Trailhead Support Agreement		Date: January 11, 2016
Staff Contact: John Brunelle, Executive Director	Attachments: None	
Action Requested: Authorize reimbursement of Trailhead Engagement Director consultant expenses for the six month period of February to July, 2016.		

Background:

In January 2015 the Board adopted three resolutions to create, with the City of Boise, the Trailhead entrepreneurship center. Trailhead’s purpose is to improve, develop and grow the economy in downtown Boise. It contracts for economic development services to help Boiseans start and scale businesses and create high-impact projects. Services target entrepreneurs and provide resources, co-working space, tools, and connections to assist and accelerate businesses growth to create new jobs to fill new commercial real estate buildings downtown.

- Resolution 1371 executed a Memorandum of Understanding between the Agency and the City of Boise to share the expense of leasing space within one of the Agency’s urban renewal areas for use by a business entrepreneurship consultant.
- Resolution 1372 executed an Entrepreneurship Consulting Agreement between the Agency, City of Boise and Actuate Boise, Inc, an Idaho non-profit corporation. Actuate Boise is responsible for providing entrepreneurship programming in the leased space and paying all lease-related expenses not paid by the Agency or city. The Agency is obligated to pay any amounts the consultant fails to pay. The city’s funding obligation is contingent on appropriation.
- Resolution 1373 executed a 5-year, triple net, commercial office lease with Rim View LLC for 14,800 square feet at 500 S 8th Street.
 - Monthly rent is \$10,792 for Year 1 (\$107,920 total) with annual increases of 2.5%. Per the MOU, the city reimburses the Agency for one-half of the rent only. The total minimum rent owed over the 5 year lease term is \$659,146 or \$329,573 each for the Agency and city.
 - Operating costs, paid by the Agency, are estimated to be \$17,000 per year or \$94,046 over the 5 year lease term.
 - The Agency pays 100% of Year 1 utility costs, estimated at \$44,400, reduced by 10% each year until reaching 60% on Year 5. Total Agency-paid utility costs over the 5 year lease term are estimated to be \$177,600.

The Agency has also been reimbursing Trailhead \$8,333 per month for the six month period of August 2015 to January 2016 (\$49,998 total) for the expenses associated with retaining an Engagement Director via consulting agreement with Reynolds + Meyers.

Fiscal Notes:

At \$8,333 per month, the total expense for the six month period of February to July 2016 would be \$49,998.

Suggested Motion:

I move to authorize the Agency to reimburse Trailhead a total of \$49,998 from February to July 2016 for Engagement Director consultant expenses.



AGENDA BILL

Agenda Subject: Downtown Boise Parking Supply/Demand Update		Date: January 11, 2016
Staff Contact: Max Clark, Parking & Facilities Director	Attachments: Downtown Boise Parking Supply/Demand Update Report	
Action Requested: No action requested. This presentation is informational only.		

Fiscal Notes:

There is no fiscal impact for reviewing the Downtown Boise Parking Supply/Demand Update.

Background:

One of the keys to success for a municipal parking management program is to have detailed and regularly updated information about parking resources and utilization patterns for planning and customer education purposes. Well-managed parking programs adapt to constantly changing conditions by conducting regular reviews of parking activity data such as changes in the supply and utilization, space turnover characteristics, changing user needs and shifts in demand based on changing land uses, tenant mixes and other factors.

In December 2013, the Capital City Development Corporation (CCDC) commissioned Carl Walker, Inc. to conduct a parking supply and demand study update for downtown Boise. This study updated a previous parking supply/demand report completed in 2008. The 2014 Carl Walker Supply/Demand Update was completed in May of 2014.

As part of the 2016 Downtown Boise Parking Strategic Plan, Kimley Horn conducted a limited update of the 2014 Carl Walker supply/demand analysis to document changes since the 2014 study. This updated analysis reflects a significant increase in development activity. The overall study area now reflects an anticipated deficit of 458 spaces in 2017 compared to the 2014 study surplus of 864 spaces. The deficit in one particular study area rose from 978 to 1,598. Again, these projections are based on current use and do not take into account any measures undertaken to lessen the anticipated shortfall.

Staff Recommendation:

Receive and digest information. At your February meeting the draft Downtown Parking Strategic Plan will be introduced, which will contain strategies and recommendations to manage the anticipated parking deficit.

Suggested Motion:

I move to accept the 2016 Downtown Boise Parking Supply/Demand Update.



**Downtown Boise
Parking Supply/Demand Update**

Final Report

January 2016

Prepared for:



Prepared by:

Kimley»»Horn

Downtown Boise Parking Strategic Plan – 2016

Parking Supply/Demand Update

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EXECUTIVE SUMMARY



Executive Summary

Background

In December 2013, the Capital City Development Corporation (CCDC) commissioned Carl Walker, Inc. to conduct a parking supply and demand study update for downtown Boise. This study updated a previous parking supply/demand report completed in 2008.

The 2014 Carl Walker Supply/Demand Update was completed in May of 2014 and evaluated parking supply and demand conditions in five sub-areas (Areas 1-5) and also included a cursory review of a sixth area (the newly defined 30th Street Urban Renewal District). It should be noted that the actual data collection for this study occurred in January of 2014. The primary study area map from this study is provided below for reference.

A detailed summary of the 2014 Carl Walker Supply/Demand Update is provided in Section One of this report.

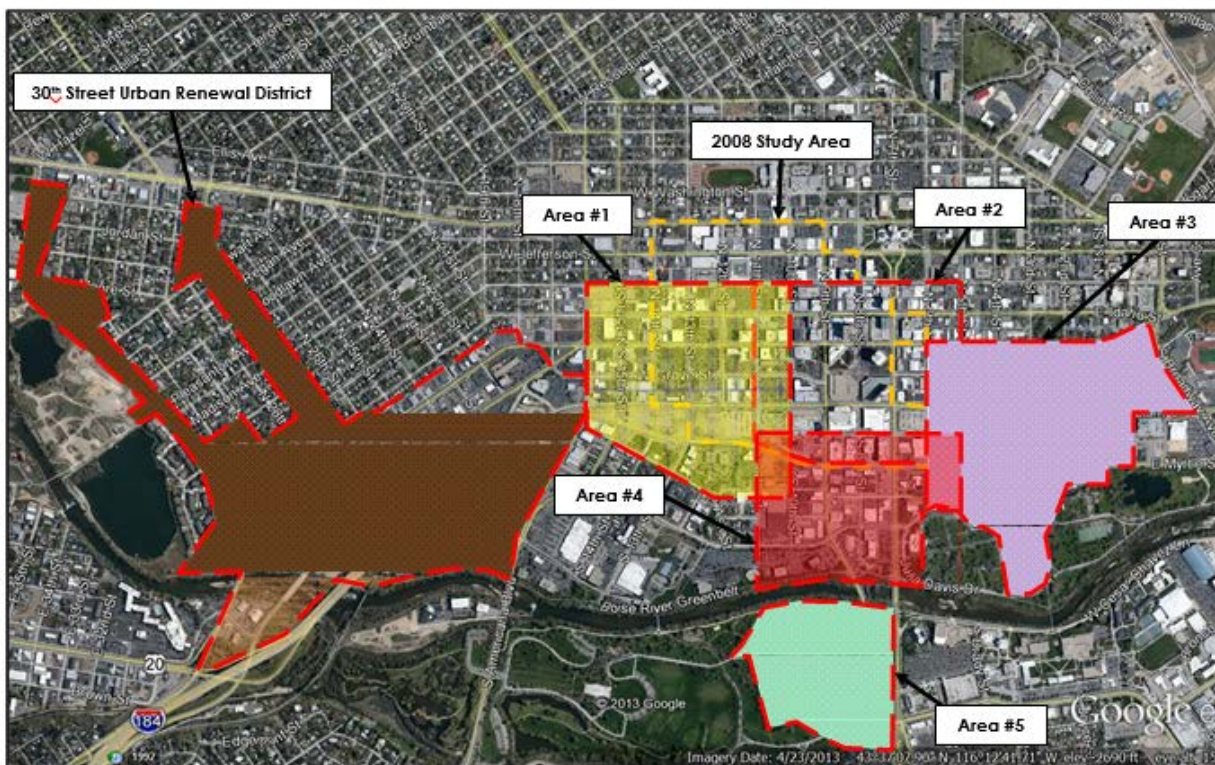


Table 1, below, summarizes the projected future parking adequacy for all five study areas in terms of available spaces at the peak demand time frame from the 2014 Carl Walker study. While this report concluded that there would still be an overall parking surplus of 864 parking spaces for the entire downtown Boise study area, a significant 978 space deficit was projected for study area two unless mitigation measures were undertaken to lessen the anticipated shortfall.

Downtown Boise 2014 Carl Walker Parking Supply/Demand Study Update
Estimated Future Parking Adequacy Summary Through 2017

	Projected Parking Adequacy		
	Future Parking Effective Supply	Future Parking Demand	Future Parking Adequacy
Sub Area # 1	3,374	3,104	270
Sub Area # 2	5,844	6,822	-978
Sub Area # 3	3,940	3,330	610
Sub Area # 4	2,031	1,600	431
Sub Area # 5	1,860	1,329	531
All Areas:	17,049	16,185	864

Note: The technical term "Effective Supply" is defined on page 11

Parking Study Update

As part of the 2016 Downtown Boise Parking Strategic Plan, a limited update of the 2014 Carl Walker supply/demand analysis was included in the project scope to document changes since the 2014 study.

This report will be included as a section of the parking strategic plan, but is being provided as a separate document now at the request of CCDC and the City. It should be noted that this is not a full supply/demand study, and did not include new parking occupancy surveys. However, it provides updated information related to new developments that have advanced since the 2014 study was completed. This new development data includes new projects that are currently in development as well as proposed projects that have been through the City design review process. It also documents losses in parking supply (both public and private) as well as any new or proposed parking additions since January 2014.

This updated analysis reflects a significant increase in development activity. Based on the updated data as of December 2015 there are still parking surpluses in Areas 3, 4 and 5, but there are now parking deficits in both Areas 1 and 2. Area 1 now shows a deficit of 183 off-street spaces and the significant off-street deficit of 978 spaces in Area 2 has grown to 1,591. The overall study area now reflects a deficit of 458 spaces compared to the 2014 study surplus of 864 spaces. Again, these projections are based on current use and do not take into account any measures undertaken to lessen the anticipated shortfall.

Part of the growth of this deficit is due to a loss of 220 spaces related to the Trader Joes project that was not accounted for in the Carl Walker study. The remaining deficit reflects new development projects that either caused a loss of existing surface parking or did not provide adequate parking to cover the increased parking demand generated by the new developments.

Table 2, below, summarizes the current parking adequacy projections updated with all the currently known development projects.

Downtown Boise Parking Strategic Plan Parking Supply/Demand Study Update 2016
Kimley Horn's Updated Projected Parking Adequacy Through 2017 by Area

Sub Area # 1	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	2,928	79	3,007	2,707	2,890	-183
On-Street Parking	815	-35	780	663	564	99
Totals:	3,743	44	3,787	3,370	3,454	-84

Sub Area # 2	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	5,219	562	5,781	5,203	6,794	-1591
On-Street Parking	582	-6	576	489	496	-7
Totals:	5,801	556	6,357	5,692	7,290	-1598

Sub Area # 3	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	4,010	279	4,289	3,860	3,647	213
On-Street Parking	390	0	390	331	282	49
Totals:	4,400	279	4,679	4,191	3,929	262

Sub Area # 4	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	1,985	0	1,985	1,786	1,359	427
On-Street Parking	289	0	289	245	241	4
Totals:	2,274	0	2,274	2,031	1,600	431

Sub Area # 5	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	941	660	1,601	1,440	936	504
On-Street Parking	495	0	495	420	393	27
Totals:	1,436	660	2,096	1,860	1,329	531

Totals - All Areas:	17,654	1,539	19,193	17,144	17,602	-458
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Note: Please see explanatory notes on pages 32-34.

Table 3, below, utilizes the overall projected parking demand growth rate used in the 2014 Carl Walker Parking Supply/Demand study (2% per year) and projects parking adequacy estimates through 2020.

Downtown Boise Parking Strategic Plan Supply/Demand Update
Estimated Parking Adequacy Projected Through 2020

	2017 Parking Demand	Growth Rate (2% per year x 3 years)	2020 Parking Demand	2020 Parking Adequacy (Assuming no new supply)
Sub Area # 1	3,454	207	3,661	-390
Sub Area # 2	7,290	438	7,728	-2,036
Sub Area # 3	3,929	237	4,166	25
Sub Area # 4	1,600	96	1,696	335
Sub Area # 5	1,329	81	1,410	450
All Areas:	17,602	1059	18,661	-1616

Note: Assumes new developments known as of 12/2015.

Note: assumes 2% growth in demand per year.

Note: Assumes current parking demand plus 2% growth per year.

Note: Assumes 2% growth in demand per year & no new supply additions.

Conclusion

Given this dramatic growth in parking demand and the imminent sunseting of the Central TIF District these updated parking projections create a greater sense of urgency related to crafting a new strategic plan that will address both parking and other community-wide access management and transportation strategies going forward.

In recent years, CCDC’s strategy of investing in parking infrastructure as a tool to support and encourage economic development created conditions where parking supply has exceeded demand. Due to impacts of the 2008 recession, development activity had been dramatically reduced. As the economy has begun to rebound, the pressure on parking has begun to grow steadily. And as new development projects approach fruition, developers are looking to CCDC and the City as partners to ensure adequate parking for new or proposed development projects.

Many potential development sites have been reviewed by CCDC and Kimley-Horn over the past 6 months. The Roost/Fowler Apartment project is moving forward and includes some CCDC funded public parking. The proposed hotel and parking garage development on Parcel B is potentially the best other option at present to provide some additional public parking in an area that has a projected deficit. While the study identifies a new demand of 350 spaces associated with this proposed development, CCDC should consider adding as much public parking to this project as it can afford. It is assumed that some of the 350 spaces identified for the hotel uses could be used during the day-time hours for public parking based on shared parking principles making this option more desirable. This site is also advantageous in that while not ideally located to address the parking deficit in study areas 1 and 2, it has been used in recent years as a temporary parking lot, demonstrating that it

is close enough to be a viable option. As parking demand becomes tighter in the coming years, and as demand in this area grows, the location of this potential public parking asset will become less of an issue.

Since the 2014 Carl Walker study, CCDC has embraced the following five strategies related to addressing parking demand growth:

1. Better Utilization of Existing Parking
2. Implement Transportation Demand Management (TDM) Initiatives
3. Examine Parking Regulations
4. Examine Parking Rates
5. Build Additional Parking

In April of this year, CCDC and the City hosted two “Developer’s Roundtable” meetings at CCDC to update the development community on parking issues and to get their feedback related to future parking development strategies. Since April several potential parking development opportunities have been explored and conceptual structured parking opportunities have been explored.

The City has made strong progress on updating the on-street parking program in terms of new technologies and equipment that will enhance both ease of payment and customer usage as well as improving the utilization data available to improve overall system management.

As we have been working on developing the Parking Strategic Plan over the past few months, the enhanced partnership between the City and CCDC has been positive and encouraging. This includes better collaboration between the City and CCDC related to integrating the on and off-street systems, especially in terms of parking rate structures, overall system branding/identity and information sharing in general. This enhanced collaboration has also extended to the involvement of other key community transportation partners such as ACHD, Valley Regional Transit, BSU, Idaho Power, St. Luke’s and others.

We are looking forward to working with the community to develop a range of new parking and mobility management strategies in the months ahead.

SECTION ONE: 2014 CARL WALKER STUDY REVIEW AND SUMMARY

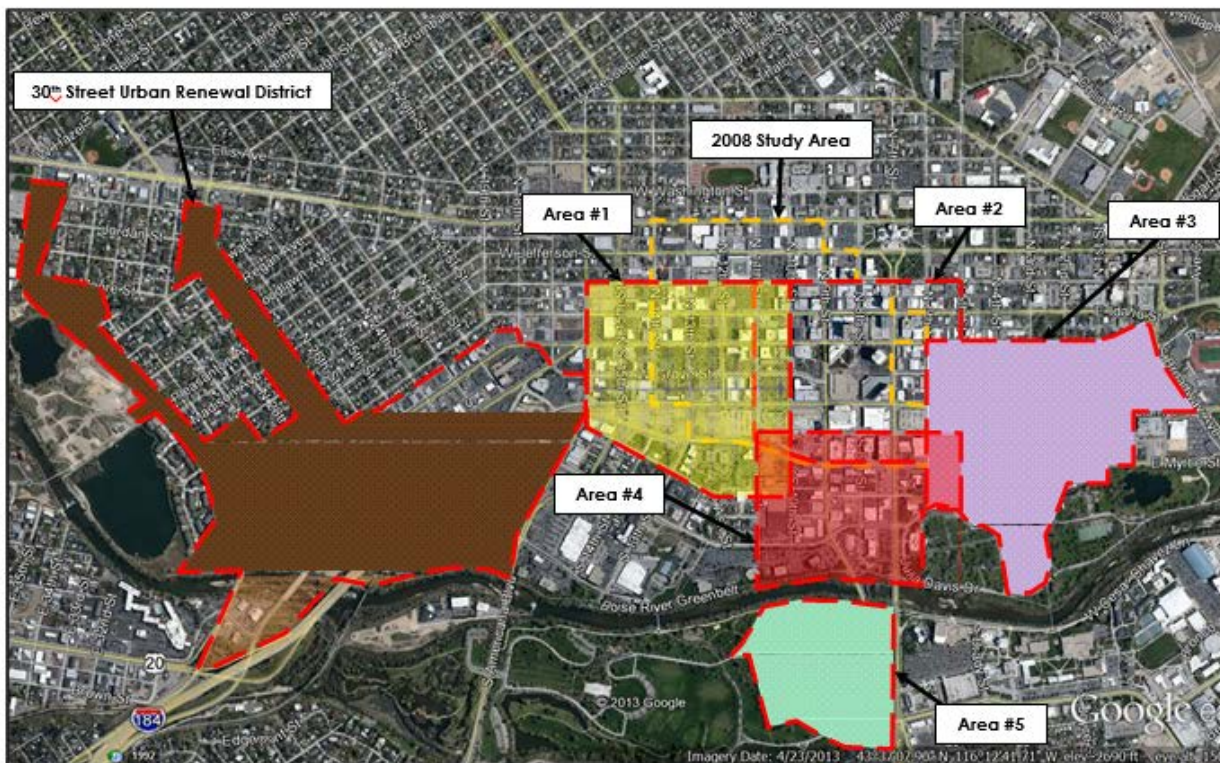


Section One: Previous Study Review and Summary

Introduction

In December 2013, the Capital City Development Corporation (CCDC) and the City of Boise commissioned Carl Walker, Inc. to conduct a parking supply and demand study update for downtown Boise. This study updated a previous parking supply/demand report completed in 2008.

The Carl Walker parking study update was completed in May of 2014 and evaluated parking supply and demand conditions in five sub-areas (Areas 1-5) and also included a cursory review of a sixth area (the newly defined 30th Street Urban Renewal District). The primary study area map is provided below for reference.



As part of the 2016 Downtown Boise Parking Strategic Plan, a limited update of the 2014 Carl Walker supply/demand analysis was included in the project scope to document changes since the 2014 study. This section of the parking strategic plan represents this update. It should be noted that this is not a full supply/demand study, and did not include extensive parking occupancy surveys. However, it provides updated information related to new developments since the 2014 study was completed, new projects that are currently in development as well as proposed projects that appear to be moving forward. It also documents losses in parking supply (both public and private) as well as any new parking additions since January 2014. Additionally, updated parking utilization data from the Downtown Public Parking System's facilities as well as updated utilization data from the City's on-street program will be used to update the current and projected parking adequacy estimates.

2014 Study Summary

The 2014 Carl Walker Parking Supply/Demand Study documented a total of 17,654 total parking spaces (including public and private as well as on-street and off-street spaces). The parking occupancy counts were conducted in late January 2014. At that time, the total on-street parking supply was 2,571 spaces and total off-street supply was 15,083. Of the 15,083 off-street spaces, 2,541 spaces (approximately 17% of the total off-street supply) were publicly owned/operated by CCDC. The remaining 12,542 spaces (83% of the overall supply) were located in restricted or privately owned parking facilities.

In the 2014 Carl Walker supply/demand study, the peak demand period for parking occupancy occurred on Thursday, January 23rd at 12:00 PM when 12,069 spaces of the 17,654 space total were occupied. This equated to a 68% overall parking occupancy at the peak demand timeframe.

Table 4, below, summarizes several key statistics from the 2014 Carl Walker report:

Key Statistics from the 2014 Carl Walker Parking Supply/Demand Study	
Total Parking Spaces	17,654
Total On-Street Spaces	2,571
Total CCDC Owned Spaces	2,541
Total Off-Street Spaces	15,083
Total Public Spaces (On and Off-Street)	5,112
Restricted or Privately Owned Spaces	12,542
Overall Peak Demand Timeframe	Thursday 12:00 PM
Overall Peak Demand Occupancy	12,069 (68%)
Peak Occupancy of Publicly Owned Spaces	70% (68% for Off-Street Spaces and 72% for On-Street Spaces)

Parking Adequacy Assessment Summary

KEY CONCEPTS

In determining the parking adequacy for the study areas, the Carl Walker report used an industry standard concept that is important to define: “Effective Supply”.

When a parking area’s occupancy reaches 85-90% of the total capacity, depending on the user group, the area becomes effectively full. When parking lot occupancy exceeds effective capacity, users become frustrated as it becomes increasingly difficult to find an available parking space. Users will begin to either park illegally in the lot or leave the lot altogether and search for parking elsewhere. When visitors are faced with significant parking difficulties, they could choose to avoid the downtown altogether and visit other commercial areas.

The accepted effective fill percentage for parking in the downtown study area was estimated at 90% for off-street spaces and 85% for on-street spaces. This “cushion” of spaces (effective supply) is used to accommodate spaces lost temporarily due to construction, improper or illegal parking and special events, as well as provide for shorter searches for available parking. When using this methodology, the observed occupancy is compared to the “effective supply” to calculate parking adequacy.

Parking Occupancy by Sub-Areas

The overall downtown Boise parking study area was broken up into five parking sub-area analysis zones. Detailed parking occupancy data by sub areas was provided in the 2014 study and is summarized below for the peak demand timeframe of each area.

Study Area #1:

Study Area One is circled in yellow on the study area map to the right. The peak period of observed parking occupancy for Study Area One was January 23 at 2:00 p.m. when 2,640 spaces were occupied (out of 3,743 spaces). On this day and time, approximately 71% of the available parking supply was occupied.

Figure 1 shows the blocks included in Study Area One, which encompasses approximately 2,928 off-street parking spaces and 815 on-street parking spaces. On Wednesday January 22, 2013 and Thursday January 23, 2013, the parking in Study Area One had an average observed occupancy of about 63%. The total peak observed occupancy was 69% on January 22 and 71% on January 23.

Figure 1 graphically presents the average peak occupancy levels observed over the two occupancy survey days by block. Two of the blocks (1-8 and 1-27, shaded in red), had average peak occupancy levels of 91% or higher. Fourteen of the blocks color-coded in orange had average peak occupancy levels in the 71% to 90% range. The remainder of the blocks had average observed peak occupancy levels of 70% or less.

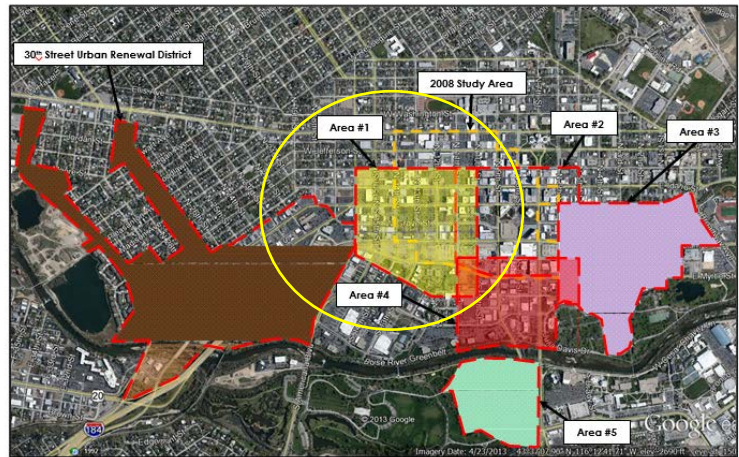
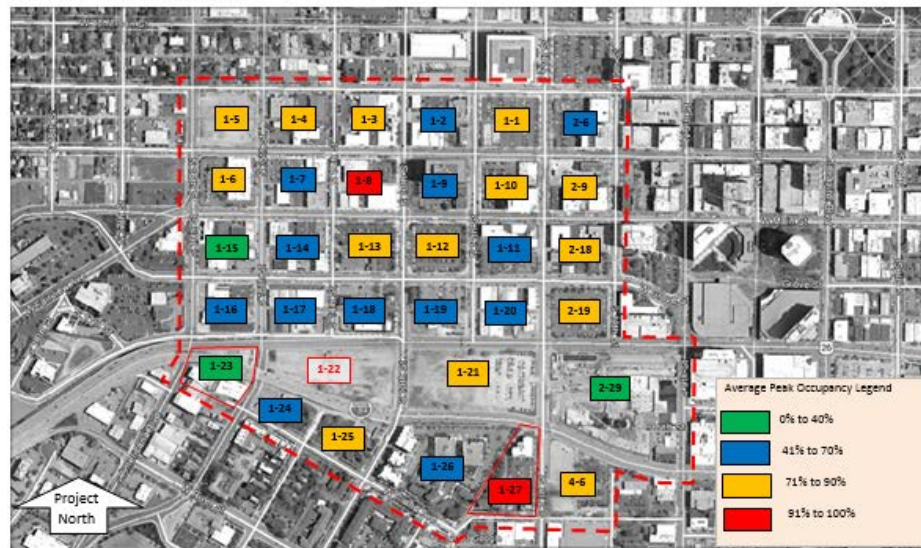


Figure 1 - Study Area One



Parking adequacy for Study Area One was based on the observed parking occupancy at the peak parking period (January 23, 2013 at 2:00 p.m.), compared to the effective parking supply as discussed above.

Estimated Parking Adequacy in Study Area #1: Note: the data in these tables below reflect a snapshot of parking utilization in January 2014.

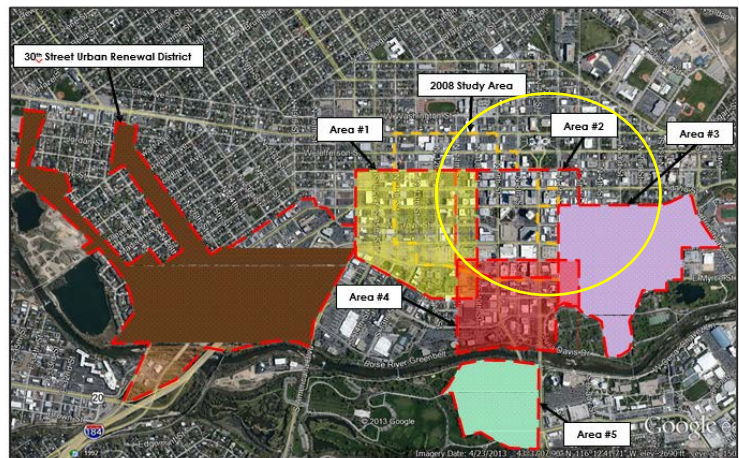
	Inventory	Eff. Supply	Peak Occ.	Adequacy
Off-Street Parking	2,928	2,635	2,109	526
On-Street Parking	815	692	531	161
TOTALS	3,743	3,327	2,640	687

Based on the calculation above, there was a parking surplus of approximately 687 spaces or approximately 21% of the effective supply. While a significant parking surplus exists in the area, all of the off-street parking is privately controlled and use may be restricted.

STUDY AREA #2:

Study Area Two is circled in yellow on the study area map to the right. The peak period of observed parking occupancy for Study Area Two was January 23 at 12:00 p.m. when 4,083 spaces were occupied (out of 5,801 spaces). On this day and time, approximately 70% of the available on-street and off-street parking supply was occupied.

Study Area Two contains the greatest number of parking spaces of the five sub-areas included in the detailed surveys. There are approximately 5,219 off-street spaces and 582 on-street spaces – totaling 5,801 spaces.



During the two-day occupancy survey period, the average overall observed occupancy for Study Area Two was approximately 61% occupied. The peak observed occupancy was 67% occupied on 1/22/13 and slightly higher on 1/23/13 with about 70% occupied.

Nineteen of the 33 blocks in the study area had a two-day average peak occupancy in the 71% to 90% range. Most of the higher demand blocks were clustered north of Front Street. Three of the blocks had average observed peak occupancies in the 91% to 100% range as illustrated in Figure 2 below.

Figure 2 - Study Area Two



Parking adequacy for Study Area Two was based on the observed parking occupancy at the peak parking period (January 23 at 12:00 p.m.), compared to the effective parking supply.

Estimated Parking Adequacy in Study Area #2: Note: the data in these tables below reflect a snapshot of parking utilization in January 2014.

	Inventory	Eff. Supply	Peak Occ.	Adequacy
Off-Street Parking	5,219	4,697	3,616	1,081
On-Street Parking	582	494	467	27
TOTALS	5,801	5,191	4,083	1,108

Based on the analysis above, Study Area Two had a parking surplus of approximately 1,108 spaces or approximately 21% of the effective supply. The available on-street parking supply was well-utilized at 80% occupied, with an estimated surplus of only 27 spaces (5% of the effective parking supply). The on-street parking in the BoDo area was very well utilized with occupancies of 95% to 100% at peak. There is a significant amount of public parking available in the two CCDC parking facilities located in BoDo.

STUDY AREA #3:

Study Area Three is circled in yellow on the study area map to the right. The peak period of observed parking occupancy for Study Area Three was January 23rd at 12:00 p.m. when 3,039 spaces were occupied (out of 4,400 spaces). On this day and time, approximately 69% of the available parking supply was occupied.

In Study Area Three there were approximately 4,010 off-street spaces and 390 on-street spaces in the study area.

The percentage of occupied spaces in Study Area Three during the two-day survey period was similar to Areas One and Two. In Area Three, the total average occupancy was 64% and 62% for the two survey days. The peak occupancy was 68% and 69%.

Figure 3 (below) shows Study Area Three and summarizes the average peak observed occupancy by block. The three blocks along the southern end of the area (containing the Boise Zoo) had relatively low occupancy. Block 3-1, which contains the court buildings, had an average peak occupancy in the 71% to 90% occupied range. Block 3-7 was the only block to exceed 90% occupancy.

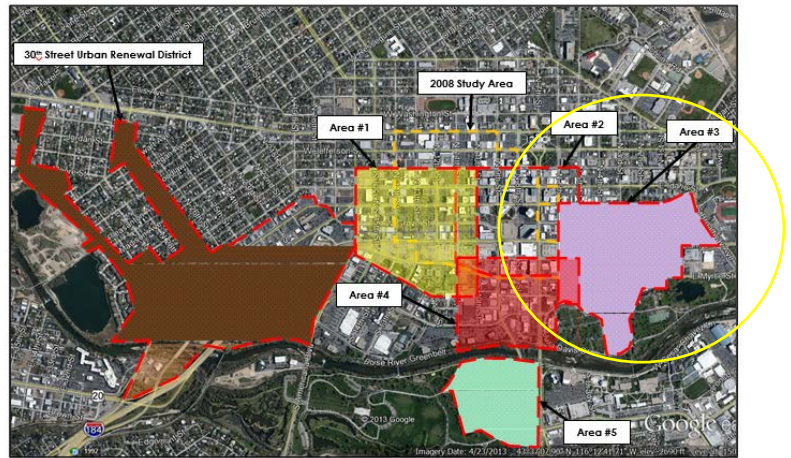


Figure 3 - Study Area Three



Parking adequacy was based on the observed parking occupancy at the peak parking period (January 23 at 12:00 p.m.), compared to the effective parking supply as summarized in the table below.

Estimated Parking Adequacy in Study Area #3: Note: the data in these tables below reflect a snapshot of parking utilization in January 2014.

	Inventory	Eff. Supply	Peak Occ.	Adequacy
Off-Street Parking	4,010	3,609	2,773	836
On-Street Parking	390	331	266	65
TOTALS	4,400	3,940	3,039	901

Based on the calculation above, Study Area Three had a parking surplus of approximately 901 spaces or approximately 23% of the effective supply.

STUDY AREA #4:

Study Area Four is circled in yellow on the study area map to the right. The peak period of observed parking occupancy for Study Area Four was January 22nd at 2:00 p.m. when 1,508 spaces were occupied (out of 2,274 spaces). On this day and time, approximately 66% of the available parking supply was occupied.

Study Area Four contains about 2,274 parking spaces. The supply of spaces is comprised of approximately 1,985 off-street spaces and 289 on-street spaces. Study Area Four is the second

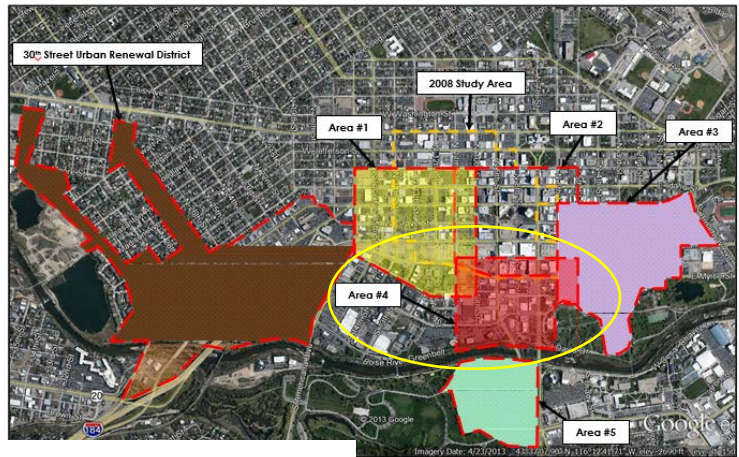


Figure 4 - Study Area Four



smallest sub-area in terms of parking spaces included in this analysis.

Study Areas Four and Five had the lowest utilization rates during the occupancy survey period. In Study Area Four, the average observed occupancies were 58% and 57%. The

overall peak occupancies were 66% and 65% occupied for the two days. The blocks with average peak occupancies in the 71% to 90% range appear to be clustered between Front Street and River Street, west of Capitol Drive.

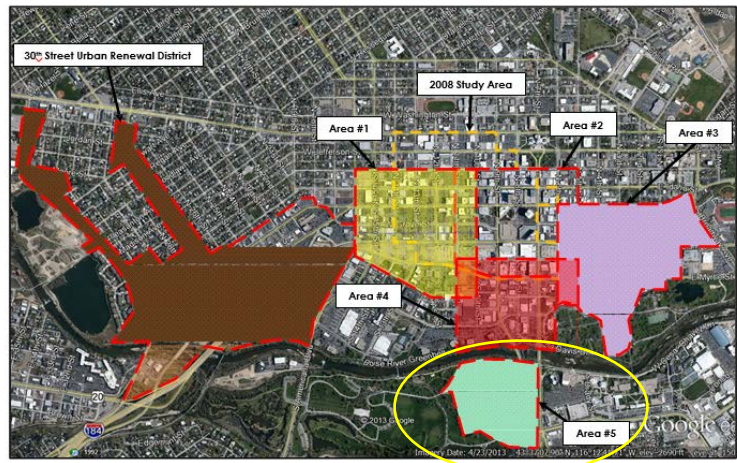
Estimated Parking Adequacy in Study Area #4: Note: the data in these tables below reflect a snapshot of parking utilization in January 2014.

	Inventory	Eff. Supply	Peak Occ.	Adequacy
Off-Street Parking	1,985	1,786	1,281	505
On-Street Parking	289	245	227	18
TOTALS	2,274	2,031	1,508	523

Based on the calculation above, Study Area Four had a parking surplus of approximately 523 spaces or approximately 26% of the effective supply. However, the available on-street parking supply was very well-utilized at 81% occupied, with an estimated surplus of only 18 spaces (7% of the effective parking supply).

STUDY AREA #5:

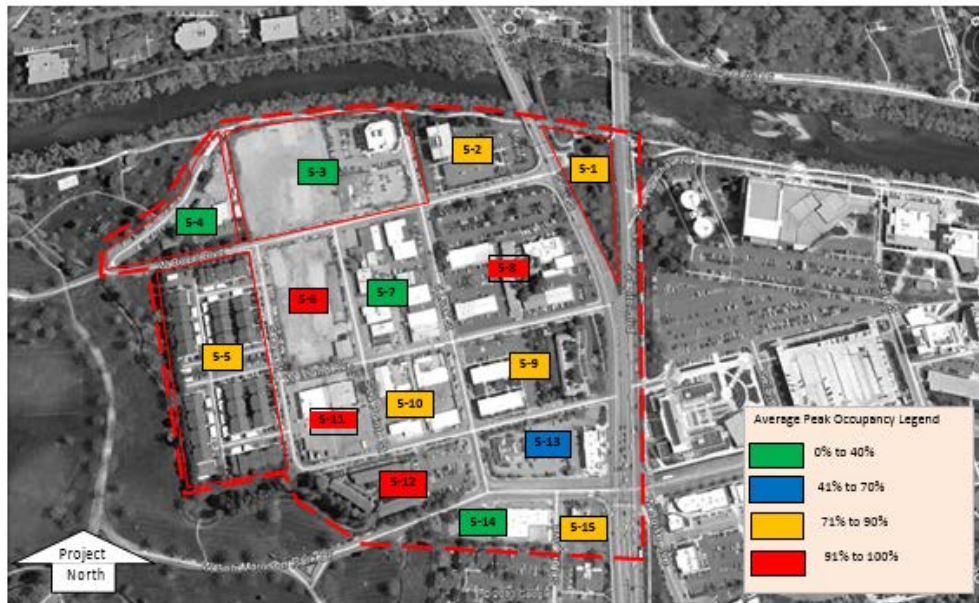
Study Area Four is circled in yellow on the study area map to the right. The peak period of observed parking occupancy for Study Area Five was January 23rd at 12:00 p.m. when 897 spaces were occupied (out of 1,436 spaces). On this day and time, approximately 62% of the available parking supply was occupied.



Study Area Five is located south of the Boise River, adjacent to the Boise State University (BSU) campus. Several large land parcels, Blocks 5-3 and 5-6, are largely vacant and appear to be awaiting development activity. Based on observations, a substantial portion of the parking activity taking place in Study Area Five is by BSU students. The river forms a psychological barrier reducing the number of parkers bound for destinations north of the river. There are approximately 941 off-street and 495 on-street spaces in Study Area Five.

The utilization levels in Study Area Five were the lowest of the sub-areas covered during the two-day occupancy surveys. The average occupancies were 56% and 53% occupied. The overall peak observed occupancies were 62% occupied on both days. The on-street parking in this area was fairly well-utilized – likely due to spillover parking from BSU.

Figure 5 - Study Area Five



Estimated Parking Adequacy in Study Area #5: Note: the data in these tables below reflect a snapshot of parking utilization in January 2014.

	Inventory	Eff. Supply	Peak Occ.	Adequacy
Off-Street Parking	941	846	527	319
On-Street Parking	495	420	370	50
TOTALS	1,436	1,266	897	369

Based on the calculation above, Study Area Five had a parking surplus of approximately 369 spaces or approximately 29% of the effective supply. While a significant parking surplus exists in the area, all of the off-street parking is privately-controlled and use may be restricted.

Overall Study Area Parking Adequacy - 2014

The average observed occupancy in the five study areas over the two survey days ranged from a low of 53% to a high of 64% occupied based on a parking utilization snapshot in January 2014. Likewise, the peak observed occupancies were in a narrow range of 62% occupied to 70%. In general, the parking spaces in Areas 1, 2, and 3 had higher observed occupancy rates than Areas 4 and 5. Note: Parking adequacy = “effective parking supply” – the calculated parking demand.

The publicly-owned and publicly-available parking supply of 5,112 parking spaces (on-street and off-street) was approximately 70% utilized during the peak period of overall observed occupancy. Approximately 68% of the off-street supply and 72% of the on-street supply was utilized during the overall peak.

It is important to note that a substantial portion of the available (unused) parking supply during the peak demand periods is privately-owned. Therefore, a significant portion of the unused parking supply may not be available to support current or future public parking demands. Some private parking owners may not be willing to allow public or shared parking in their facilities. However, there could be large reservoirs of underutilized private parking that could be tapped to help meet future demands and reduce parking construction needs (which seems to be the case, at least in some areas). Also, some of the future demand for parking will come from existing buildings with available on-site parking.

Table 5, below, summarizes the parking capacity and occupancy for both on and off-street parking in all five parking study sub-areas from the 2014 Carl Walker study.

Area/Type	Capacity	Average Occupancy	Peak Occupancy
January 23, 2013			
Area 1			
Off-Street	2,928	63%	72%
On-Street	815	59%	65%
Area Total:	3,743	63%	71%
Area 2			
Off-Street	5,219	59%	69%
On-Street	582	60%	80%
Area Total:	5,801	59%	70%
Area 3			
Off-Street	4,010	63%	69%
On-Street	390	55%	68%
Area Total:	4,400	62%	69%
Area 4			
Off-Street	1,985	55%	63%
On-Street	289	73%	81%
Area Total:	2,274	57%	65%
Area 5			
Off-Street	941	43%	56%
On-Street	495	72%	79%
Area Total:	1,436	53%	62%

Table 6, below, summarizes parking adequacy for all five study areas in terms of available spaces at the peak demand time frame.

Downtown Boise 2014 Carl Walker Parking Supply/Demand Study Update
Estimated Future Parking Adequacy Summary Through 2017 at Peak Demand Timeframes

	Projected Parking Adequacy		
	Future Parking Effective Supply	Future Parking Demand	Future Parking Adequacy
Sub Area # 1	3,374	3,104	270
Sub Area # 2	5,844	6,822	-978
Sub Area # 3	3,940	3,330	610
Sub Area # 4	2,031	1,600	431
Sub Area # 5	1,860	1,329	531
All Areas:	17,049	16,185	864

Section One Summary

This supply/demand update takes the supply/demand study done by Carl Walker, Inc. in 2014 and incorporates all the known or proposed changes to the parking equation as of December 2015.

The 2014 Carl Walker study noted that “building new parking based only on public parking occupancies would likely result in the construction of too much parking over the long-term”. We agree with this statement and thus factoring in the full range of strategies that will come out of the larger Parking Strategic Plan are critical to factor in. However, it is clear that with the strong increase in development activity, the need to begin planning for some new supply in the next two year period will be needed.

SECTION TWO: PARKING CONDITIONS UPDATE



Section Two: Parking Conditions Update Update of New and Proposed Development Sites

Projected Parking Adequacy

For the sake of consistency and because they are generally accepted industry practices, the assumptions and formulas used in the 2014 Carl Walker for estimating future parking adequacy are continued in this update. These assumptions include:

- $\text{Future Inventory} = \text{Existing Inventory} - \text{Parking Losses or} + \text{Parking Gains}$
- $\text{Future Effective Supply} = \text{Future Inventory} \times \text{Effective Supply Factor } (.90)$
- $\text{Future Demand} = (\text{Existing Demand} \times \text{Growth Rate } [2\%]) + \text{New Known Developments}$
- $\text{Future Adequacy} = \text{Future Effective Supply} - \text{Future Demand}$
 - Anticipated near term development projects by area
 - Review of general parking demand growth assumptions from the 2014 study
 - Estimated Future Parking Adequacy by area (through 2017)

Projected Parking Demand by Study Area

In estimating future parking demand, the 2014 Carl Walker study identified the following anticipated developments in the five study areas:

Study Area #1

1. Owyhee Plaza – This project involves the renovation of a 68-room hotel into a mixed-use development including 34 apartments, 8,300 s.f. of retail, 7,650 s.f. of restaurant, and 51,700 s.f. of office. This project was anticipated to be open in 2014.
 - a. The estimated shared parking demand for this project was 271 spaces at the observed period of peak parking demand for the area (January weekday at 2:00 p.m.). The development was assumed to include 104 surface parking spaces. The anticipated parking deficit associated with this project was estimated to be as high as approximately 167 spaces at the observed period of peak parking demand.
2. 10th and Grove – This six-story development assumed 28 condos in 67,320 s.f. The residential units will consist of one and two bedroom homes. Approximately 39 parking spaces will be included on the first two floors of the development. This development was expected to be completed in 2017.
 - a. The ULI shared parking model estimated a parking demand of 31 spaces at the observed peak period of parking demand for the area. The anticipated parking supply for the development would appear to be sufficient to meet anticipated demands during the peak period of parking occupancy for the area. However, the peak demand for the development itself may be 47 spaces at 8:00 p.m. Therefore, offsite parking may be needed to meet the development’s needs during evening hours.
3. JUMP - Jack’s Urban Meeting Place (JUMP) is a mixed-use project that includes a six-story meeting and education building (approximately 240,445 s.f.), a nine-story office building (334,000 s.f.), 116 structure parking spaces to support the meeting/education spaces, 613

underground spaces to support the office building, and 28 surface spaces. Currently under construction, this project was anticipated to be completed by 2016.

- a. Based on previous parking reviews for the site, it was anticipated that the on-site parking supply would be sufficient to support day-to-day parking needs for the development. However, there may be special event parking needs that surpass available supplies (depending on event schedules). It is anticipated that the underground parking will be available for special event parking during evenings and weekends.

Note: Technically the JUMP project probably should have been included in Study Area #2 instead of Study Area #1, however, we have not changed this in an attempt to avoid confusion.

In addition to the new development projects noted above, it was noted that parking adequacies could also be impacted based on changes due to street conversions and new bike lanes. According to the 2013 Downtown Boise Implementation Plan (DBIP), approximately 35 on-street spaces were projected to be lost in this study area.

Estimated Future Parking Adequacy in Study Area #1 (through 2017 from the 2014 Carl Walker study)

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	2,928	85	3,013	2,711	2,540	171
On-Street Parking	815	(35)	780	663	564	99
TOTALS	3,743	50	3,793	3,374	3,104	270

While the estimated future parking adequacy for the study area is positive, the available parking supply is completely controlled by private owners. Therefore, the availability of parking to support future needs will depend on private owners sharing their parking and/or continued provisions of privately-controlled public parking.

New Developments since the 2014 Carl Walker Study

1. The original proposed Gardner Development on Parcel B includes the following project elements:
 - a. A full-service seven-story hotel located on the northeast quadrant of the site with approximately 170 rooms, meeting facilities, a restaurant, and other typical amenities;
 - b. A limited service five-story hotel located on the southeast quadrant of the site with approximately 130 rooms and typical amenities;
 - c. A parking garage with eight floors of parking providing approximately 950 parking stalls located in the northwestern quadrant of the site, configured to permit future residential condominium construction above the garage;
 - d. Internal service drives and pedestrian areas aligned with 12th Street and Broad Street which will be constructed with a flat profile and a variety of materials to encourage

- pedestrian and bicycle traffic within the Site, to slow traffic through the Site, and to facilitate hotel operations;
- e. A sixteen foot wide pedestrian zone around the project perimeter which includes sidewalks, furnishing areas, and landscaping in various dimensions; and
- f. A pad for future commercial development located in the southwestern quadrant of the Site.

After discussions with CCDC staff the following adjustments related to the proposed Gardner project were agreed upon: The proposed Gardner development included plans for two hotels totaling 300 rooms and a large parking garage (950 spaces) which was approved by the City. However, the cost of the proposed garage will likely result in a reduced garage size. Based on discussions with CCDC staff a minimum sized parking garage that would cover the proposed hotel parking needs (350 spaces) is all that is included in this supply/demand update for this development. Additionally, the loss of 271 existing parking spaces has been factored in. Note: Because the 170 room hotel is characterized as also having meeting rooms and restaurant amenities a parking demand ratio of 1.29 was used instead of 1.0 for this “full-service” facility.

The updated Parking Adequacy table for Study Area #1 is provided below:

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	2,928	79	3,007	2,707	2890	-183
On-Street Parking	815	(35)	780	663	564	99
TOTALS	3,743	44	3,787	3,370	3,454	-84

The additional development projects have taken Study Area One from a projected surplus of 270 spaces to an estimated deficit of 84 spaces. Note: Some of the lost surface lot spaces (-271) could potentially be recovered (at least temporarily) in the SW development pad that is not currently slated for development.

Study Area #2:

The 2014 Carl Walker study identified four development projects that were expected to impact parking in Study Area #2:

1. 8th and Main Tower – This large project includes 6,321 s.f. of retail, 15,000 s.f. of restaurant, and 328,679 s.f. of office. The project includes a new 181 space parking structure attached to the Eastman Parking Garage (these spaces were included in the parking inventory counts). This development was projected to be open in 2014.
 - a. The estimated shared parking demand for this project is 866 spaces at the observed period of peak parking demand for the area. As the development only includes 181 new parking spaces, the anticipated parking deficit could be approximately 685 spaces at the observed period of peak parking demand. It is assumed that at least some of this demand will be addressed using available parking spaces in the Eastman

Garage. However, there appears to be insufficient parking in the Eastman Garage to meet all anticipated demands.

2. City Center (101 S Capitol Blvd.) - City Center is a mixed-use project that includes 6,000 s.f. of retail, 57,000 s.f. of convention space, 15,000 s.f. of retail/restaurant, 180,000 s.f. of office, and a 40,000 s.f. underground transit station. The development was expected to include 65 new parking spaces, but would result in the loss of 90 surface spaces (net impact of -25 spaces). It was assumed that this project would be completed by 2017.
 - a. The ULI shared parking model estimates a parking demand of 829 spaces at the observed peak period of parking demand for the area (not including the transit station - it was assumed that the transit station will not be a significant generator of parking demand). The anticipated parking supply for the development would not be sufficient to meet anticipated demands during the peak period of parking occupancy for the area. A deficit of 764 spaces is projected.

3. Trader Joe's – (West Front Street and S. Capital Blvd.) Opening in March 2014, this development includes a 13,000 s.f. Trader Joe's grocery store and 4,000 s.f. of restaurant space. A new 80-space surface parking lot was constructed to support the development.
 - a. The estimated shared parking demand for this project was 60 spaces at the observed period of peak parking demand for the area. As the development includes 80 new surface parking spaces, the anticipated parking surplus could be approximately 20 spaces at the observed period of peak parking demand.
 - b. **Note: This project also resulted in a loss of approximately 220 spaces. It does not appear that this loss was factored into the Carl Walker study.**

In addition to new development projects, parking adequacies were projected to change due to street conversions and new bike lanes. According to the 2013 Downtown Boise Implementation Plan (DBIP), approximately 6 on-street spaces would be lost in the study area.

Given known development projects, anticipated parking supply changes, and the estimated 2% per year growth rate, the estimated parking adequacy for Study Area #2 was projected to change from a surplus of 1,108 spaces to deficit of 978 spaces. The following table from the 2014 Carl Walker study summarizes the projected parking supply and demand for study area two through 2017.

Estimated Future Parking Adequacy in Study Area #2 (through 2017 from the 2014 Carl Walker study)

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	5,219	732	5,951	5,355	6,326	(971)
On-Street Parking	582	(6)	576	489	496	(7)
TOTALS	5,801	726	6,527	5,844	6,822	(978)

The anticipated developments in the study area, as well as estimated growth, projected a significant parking deficit. The deficit could be even greater if privately-controlled parking cannot be shared. Additional parking resources, both on-street and off-street, were anticipated to be needed to support future parking demands in this area.

New Developments since the 2014 Carl Walker Study

New development activities in Study Area #2 since the 2014 Carl Walker study include the following:

Residence Inn Suites Hotel (Former Dunkley Site – S. Capital Blvd. between W. Myrtle Street and W. Broad Street)

- 176 hotel Rooms
- 103 new private structured parking spaces
- 40 lost surface lot spaces

The Inn at 500 (S. Capital Blvd. and W. Myrtle Street)

- 104 hotel rooms
- 3,500 s.f. restaurant
- 24 parking spaces
- 80 lost parking spaces

5th and Idaho (Carley Residential Development 5th Street and W. Idaho Street)

- 84 residential units
- 2,790 sf of retail/restaurant
- 73 new below grade spaces
- 11 new at grade spaces
- 41 lost surface lot spaces

The updated Parking Adequacy table for Study Area #2 is provided below:

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	5,219	562	5,781	5,203	6,794	(1,591)
On-Street Parking	582	(6)	576	489	496	(7)
TOTALS	5,801	556	6,357	5,692	7,290	(1,598)

The additional development projects plus the unaccounted for loss of 220 spaces related to the Trader Joe's development has increased the already significant project parking deficit for Study Area Two from 978 spaces to an estimated deficit of 1,538 spaces. This is an increase of 560 spaces or approximately +36%.

Study Area #3:

There were only two development projects expected to impact parking in Study Area #3 in the 2014 Carl Walker report:

1. Bogus Brewing (521 W Broad Street) – This project involved the development of 3,915 s.f. of brewery and beer tasting space. Based on information from the City of Boise, this development will not include the creation of any new parking. This development was anticipated to be open in 2014.
 - a. The estimated parking demand for this project was 5 spaces at the observed period of peak parking demand for the area (January weekday at 12:00 p.m.). This estimate was based on the ULI demand ratio for bars and nightclubs (with some additional parking to account for brewing activities). However, this specific land use may not be exactly like a traditional bar or tavern. Peak demand for this land use would likely occur during evening hours, and could reach up to 75 spaces (if demand is similar to a traditional bar or nightclub).

2. Concordia Law School (501 West Front Street) – Originally opening in 2012, Concordia Law School admitted its second class in 2013. The student population in 2014 of approximately 100 students was expected to grow to 300 students at full build-out. Classes are scheduled during afternoon and evening hours.
 - a. The ULI shared parking model does not include a demand projection for schools or colleges. Therefore, the parking demand was estimated based on the student population at full build-out. Parking demand assumptions included:
 - i. 200 additional students
 - ii. 85% students would drive
 - iii. 50% of students would be onsite during the peak period of parking demand, and
 - iv. 15 additional spaces will be needed for staff /faculty

Given these assumptions, up to 100 additional spaces could be needed. No onsite parking was projected to be available to support these future parking demands.

Based on the known development projects, anticipated parking supply changes, and the estimated 2% per year growth rate, the estimated parking adequacy for Study Area Three was projected to decrease from +901 spaces to +610 spaces. The following table summarized the projected parking supply and demand for study area three through 2017.

Estimated Future Parking Adequacy in Study Area #3 (through 2017 from the 2014 Carl Walker study)

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	4,010	-	4,010	3,609	3,048	561
On-Street Parking	390	-	390	331	282	49
TOTALS	4,400	-	4,400	3,940	3,330	610

New Developments since the 2014 Carl Walker Study

New development activities in Study Area #3 since the 2014 Carl Walker study include the following:

CSHQA / George’s Cycles (S. 3rd Street and W. Front Street)

- 19,745 s.f. of office
- 17,000 s.f. of retail
- 9 parking spaces
- 9 lost parking spaces

The Roost Apartments (Note: does not include the project referred to as “the Nest”) (S. 5th Street between W. Broad Street and W. Myrtle Street)

- 158 residential units
- 2,500 s.f. of retail
- 190 Structured parking spaces (including 90 public spaces via CCDC investment)
- 50 lost parking spaces

New Office Development (was Cradlepoint) (S. 4th Street between W. Broad Street and W. Myrtle Street)

- 78,000 s.f. of office
- 189 parking spaces
- 50 lost parking spaces

The updated Parking Adequacy table for Study Area #3 is provided below:

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	4,010	279	4,289	3,860	3,647	213
On-Street Parking	390	0	390	331	282	49
TOTALS	4,400	279	4,679	4,191	3,929	262

Incorporating these new development projects and projected losses in parking supply, the 610 parking space surplus for Study Area #3 is reduced to an estimated 262 spaces surplus.

Study Area #4:

There were no defined development projects planned in Study Area #4. Therefore, the only estimated parking demand impacts are based on estimated growth. The estimated parking adequacy for Study Area Four was projected to decrease from 523 spaces to 431 spaces. The following table from the 2014 Carl Walker study summarizes the projected parking supply and demand for the study area through 2017.

Estimated Future Parking Adequacy in Study Area #4 (through 2017 from the 2014 Carl Walker study)

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	1,985	0	1,985	1,786	1,359	427
On-Street Parking	289	0	289	245	241	4
TOTALS	2,274	0	2,274	2,031	1,600	431

The estimated growth in parking demand would not appear to result in a parking deficit. This assumes that future demands can be met using existing parking supplies. The on-street parking supply may approach its effective capacity in the next few years. Additional off-street parking resources do not appear to be warranted at this time.

New Developments since the 2014 Carl Walker Study

No changes to the Area #4 Future Parking Adequacy table above are indicated.

Study Area #5:

There were three development projects expected to impact parking in Study Area #5 in the 2014 Carl walker study:

1. River Edge Apartments (1004 W Royal Blvd, Boise, ID) – This project involved the development of 175 residential units (a mixture of two and four bedroom units). Based on information from the City of Boise, this development is expected to include the creation of 280 new surface parking spaces. This development was anticipated to be open in 2015.
 - a. The estimated parking demand for this project is 159 spaces at the observed period of peak parking demand for the area (January weekday at 12:00 p.m.). This estimate is based on the ULI demand ratio for rental developments. However, the peak demand for this specific land use would likely occur during evening hours, and could reach up to 260 spaces. It appears that sufficient parking will be provided for this development.

2. Boise Heights Apartments (1570 S. Lusk Place Boise) – This project involved the development of 130 residential units (a mixture of two, three, and four bedroom units). This development was expected to include the creation of 255 new surface parking spaces. This development was anticipated to be open in 2015.
 - a. The estimated parking demand for this project is 118 spaces at the observed period of peak parking demand for the area (January weekday at 12:00 p.m.). This estimate is based on the ULI demand ratio for rental developments. The peak demand for this specific land use would likely occur during evening hours, and could reach 193 spaces or more. It appears that sufficient parking will be provided for this development.

3. West Sherwood Apartments (989 W Sherwood St, Boise, ID) – This residential development included 110 residential units (a mixture of studio, one, two and three bedroom units). Based on information from the City of Boise, this development was expected to include the creation of 125 new structured parking spaces. This development was anticipated to be open in 2015.
 - a. The estimated parking demand for this project is 100 spaces at the observed period of peak parking demand for the area (January weekday at 12:00 p.m.). This estimate is based on the ULI demand ratio for rental developments. However, the peak demand for this specific land use would likely occur during evening hours, and could reach up to 164 spaces. It appears that sufficient parking is provided for this development during daytime hours. However, the available parking supply could be exceeded during evening hours. If the majority of apartments are studio or one bedroom units, and the majority of units are occupied by BSU students, projected parking demands could be lower than those projected in this report.

Given known development projects, anticipated parking supply changes, and the estimated 2% per year growth rate, the estimated parking adequacy for Study Area Five is projected to increase from 369 spaces to 531 spaces (during the peak hour of observed parking occupancy).

The following table summarizes the projected parking supply and demand for study area five through 2017.

Estimated Future Parking Adequacy in Study Area #5 (through 2017 from the 2014 Carl Walker study)

	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	941	660	1,601	1,440	936	504
On-Street Parking	495	-	495	420	393	27
TOTALS	1,436	660	2,096	1,860	1,329	531

Anticipated developments in the area, as well as estimated growth, would not appear to result in parking deficits. This assumes that demands can be met using existing supplies and new facilities are added as anticipated. Additional parking does not appear to be warranted at this time. However, improved on-street management may be needed.

New Developments since the 2014 Carl Walker Study

We are not aware of any new development activities in Study Area #5 since the 2014 Carl Walker study. No changes to the Area Five Future Parking Adequacy table above are indicated.

It should be noted that the City is in the process of implementing new on-street parking management strategies in this area (including a new Park Mobile Pay-by-Cell Phone application).

Summary of Parking Supply/Demand Changes

Table 7, below, summarizes the new development projects and other changes since the 2014 Carl Walker Parking Supply/Demand Study.

Downtown Boise Parking Strategic Plan Parking Supply/Demand Study Update 2016
Kimley Horn's Updated Projected Parking Adequacy Through 2017 by Area

Sub Area # 1	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	2,928	79	3,007	2,707	2,890	-183
On-Street Parking	815	-35	780	663	564	99
Totals:	3,743	44	3,787	3,370	3,454	-84

Sub Area # 2	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	5,219	562	5,781	5,203	6,794	-1591
On-Street Parking	582	-6	576	489	496	-7
Totals:	5,801	556	6,357	5,692	7,290	-1598

Sub Area # 3	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	4,010	279	4,289	3,860	3,647	213
On-Street Parking	390	0	390	331	282	49
Totals:	4,400	279	4,679	4,191	3,929	262

Sub Area # 4	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	1,985	0	1,985	1,786	1,359	427
On-Street Parking	289	0	289	245	241	4
Totals:	2,274	0	2,274	2,031	1,600	431

Sub Area # 5	Current Inventory	Parking Loss/Gain	Future Inventory	Future Eff. Supply	Future Demand	Future Adequacy
Off-Street Parking	941	660	1,601	1,440	936	504
On-Street Parking	495	0	495	420	393	27
Totals:	1,436	660	2,096	1,860	1,329	531

Totals - All Areas:	17,654	1,539	19,193	17,144	17,602	-458
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Note: Please see explanatory notes on pages 32-34.

Notes supporting the updated parking adequacy table on page 31:

Study Area # 1:

Notes:

- The proposed Gardner development included plans for two hotels totaling 300 rooms and a large parking garage (950 spaces) which was approved by the City. However, the cost of the proposed garage will likely result in a reduced garage size. Based on discussions with CCDC staff a minimum sized parking garage that would cover the proposed hotel parking needs (350 spaces) is all that is included as of this writing. Additionally, the loss of 271 existing parking spaces has been factored in.
- Demand for 300 new hotel rooms + meeting space (at 1.17 spaces/room) is included as new demand in this area re: the proposed Gardner development. An additional development pad is in play, but the land use or size has not been defined as of now. This should be factored in once the development plans are finalized.

Parking Demand Calculations:

New Parking Demand:

- Two proposed hotels at 170 rooms (full service) and 130 rooms (limited service): Estimated parking demand 350 spaces.
- A future commercial development pad in the SW quadrant of the site: Nothing planned as of now. No new demand included in this analysis
- Note: The original development submittal envisioned a 950 space garage in the NW quadrant of the site that would have accommodated the parking needs of the two hotels, future commercial pad development and the potential for future residential development construction above the parking garage plus provide some additional public parking.

Parking Gains/Losses:

Parking Losses:

- The loss of 271 existing parking spaces included in the 2014 Carl Walker study (Parcel B) has been factored in.
- Projected loss of 35 on-street spaces (from 2013 Downtown Boise Implementation Plan)

Total Lost Spaces: -306

Parking Gains:

- +350 spaces in proposed parking garage

Net Gain/Loss: 44

- Note: Some of the lost surface lot spaces (-271) could potentially be recovered (at least temporarily) in the SW development pad that is not currently slated for development.

Study Area # 2:

Notes:

- The Carl Walker report failed to include the loss of 220 surface lot spaces related to the Trader Joe's project. This loss was added to the previous total.
- The development of the former Dunkley site for a new 176 room Residence Inn hotel plus 103 structured parking spaces and the loss of 40 surface lot spaces was added.
- The development of the Inn at 500 adds 104 hotel rooms and 3,500 sf of restaurant. 24 parking spaces are provided and approximately 80 surface lot spaces were lost.
- A proposed mixed-use project located at 5th Street and Idaho includes 84 residential units (70,574 sf), 2,790 sf of retail/restaurant and 21,700 sf of below grade parking (73 spaces) and 11 at grade parking spaces. 41 existing surface lot spaces will be lost.

Parking Demand Calculations:

New Parking Demand:

- +176 spaces - Residence Inn
- +111 spaces - Inn at 500
- +135 spaces - 5th and Idaho

Total New Demand: 422 spaces

Parking Gains/Losses:

Parking Losses:

- -220 Trader Joes
- -40 spaces former Dunkley Lot
- -80 spaces The Inn at 500
- -41 spaces 5th and Idaho

Total Lost Spaces: -381

Study Area # 3:

Notes:

- CSHQA/George's Cycles development added 19,746 sf of office and 17,000 sf of retail creating demand for 119 additional parking spaces. 24 spaces were added and 80 surface lot spaces were lost.
- The Roost Apartments (also referred to as "The Nest" or "The Fowler Project" includes: 158 units and 2,500 sf of retail generating a parking demand of 246 spaces. 190 new structured parking spaces are included and 50 spaces are being lost for a net gain of 140 spaces.
- A new 78,000 sf office development (formerly known as Cradlepoint) would generate demand for 234 new parking spaces. 189 new spaces planned and 50 spaces will be lost for a new add of 139 spaces.

Parking Demand Calculations:

New Parking Demand:

- +119 spaces - CSHQA/George's Cycles
- +248 spaces - Roost/Fowler/Nest
- +234 spaces - Cradlepoint
- Total New Demand: 601 spaces

Parking Gains/Losses:

Parking Losses:

- -220 Trader Joes
- -40 spaces former Dunkley Lot
- -80 spaces The Inn at 500
- -41 spaces 5th and Idaho
- Total lost spaces: -381

Study Area # 4:

Notes:

- No changes have been noted in Sub-Area 4 since the 2014 Carl Walker study. The Future Parking Adequacy table for Area 4 from the Carl Walker report remains unchanged.

Study Area # 5:

Notes:

- No changes have been noted in Sub-Area 5 since the 2014 Carl Walker study. The Future Parking Adequacy table for Area 5 from the Carl Walker report remains unchanged.



AGENDA BILL

Agenda Subject: Update on Parking Re-branding Initiative		Date: January 11, 2016
Staff Contact: Max Clark, Parking & Facilities Director	Attachments: Examples of the application of the parking brand and logo	
Action Requested: Feedback on direction parking branding is heading		

Fiscal Notes:

There is no direct fiscal impact to this discussion. However, there could be some fiscal consequences of changing the direction we're headed in terms of consultant time and products. Eventually, one outcome of this work will be the creation of nearly \$500,000 worth of exterior signage for our six parking structures. The development of on-line applications is another.

Background:

A major initiative in the 2016 Parking & Facilities work plan was re-branding what has been historically called the Downtown Public Parking System. As a result of our heightened collaboration with the City of Boise, that initiative was expanded to include the City's on-street parking system; and was further expanded by the desire to help promote access management to Boise and mobility throughout it.

Branding should, at its heart, be a competitive differentiator in the marketplace and add value in achieving that. With the assistance of Oliver Russell and Kimley Horn, we have settled on a parking brand called ParkBOI. The over-arching mobility branding initiative has temporarily stalled and has been taken up by City Hall to work with our mobility partners to achieve consensus on a brand.

Four parking signage examples will be shown of the leading logo candidate for ParkBOI. These include wayfinding, entrance, messaging and payment signs.

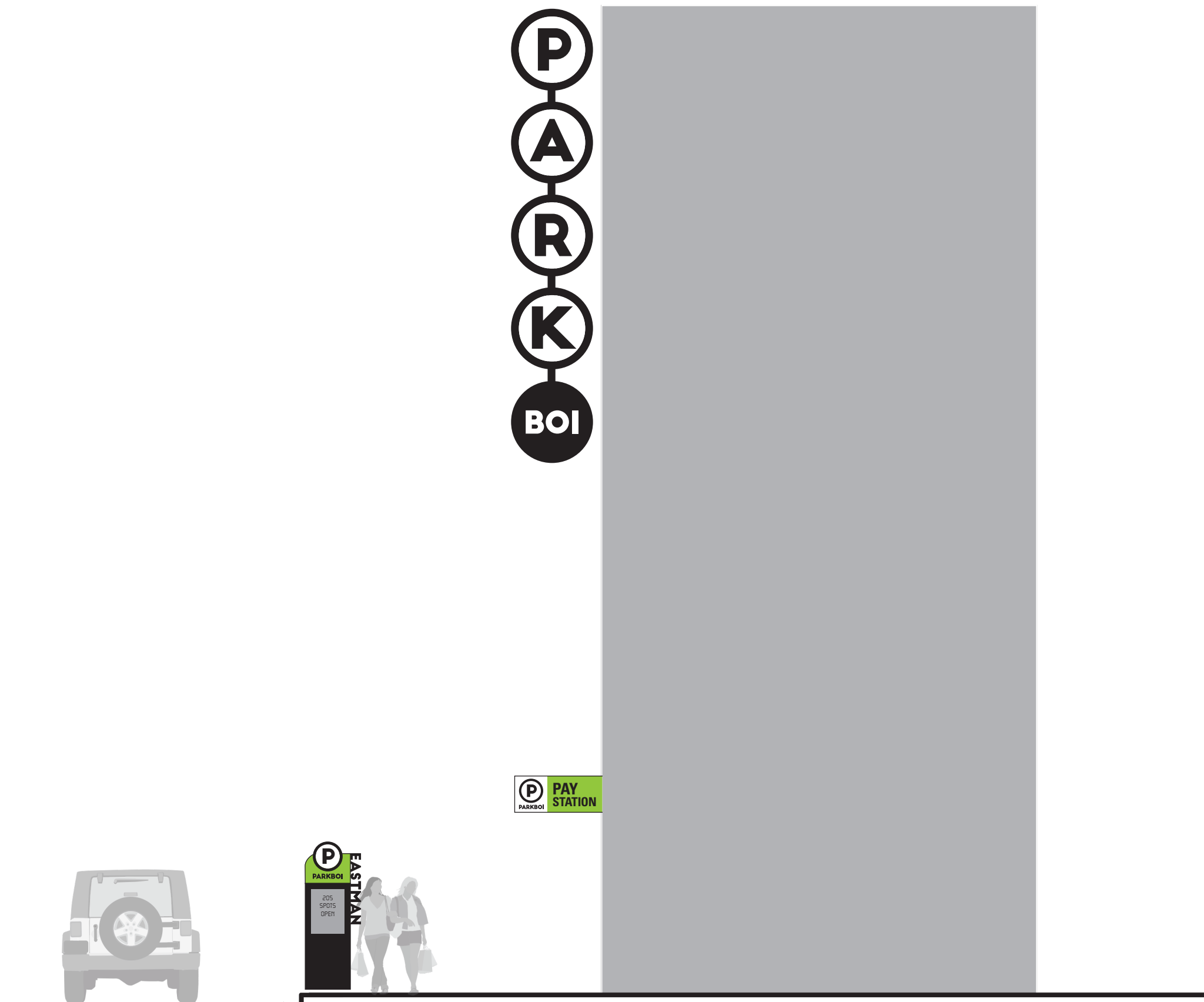
Staff Recommendation:

Re-affirm the ParkBOI brand and logo use on the various sign types.

Suggested Motion:

I move to affirm the direction staff is proceeding regarding the parking brand and logo.

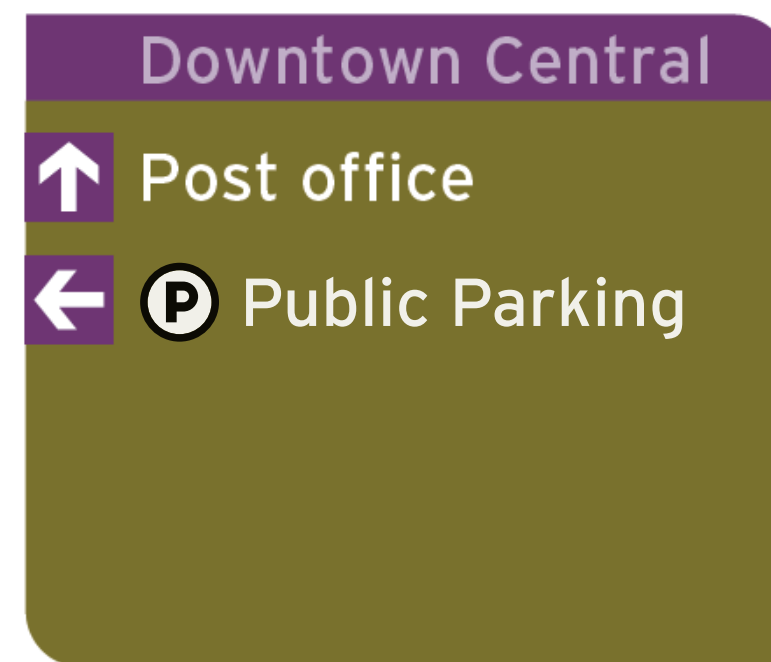
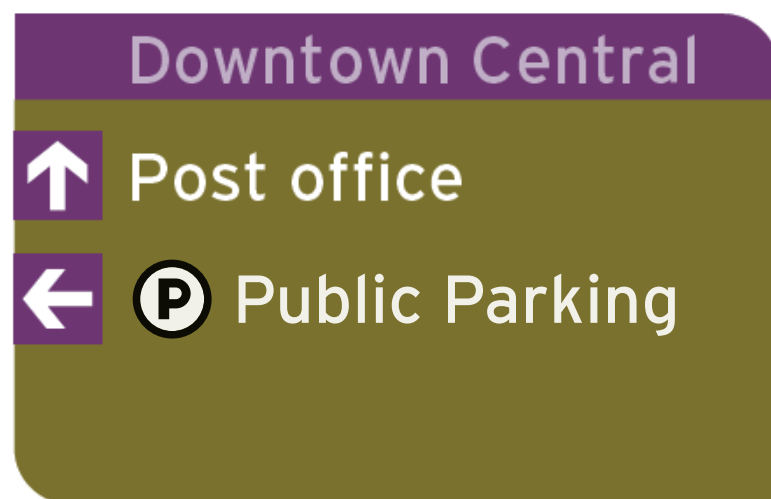
OVERVIEW



CLOSE VIEW



WAYFINDING SIGNS





AGENDA BILL

Agenda Subject: Broad Street Update		Date: January 11, 2016
Staff Contact: Karl Woods	Attachments: Broad Street Update PowerPoint	
Action Requested: Informational item		

Fiscal Notes:

- RD, 5th & Julia Davis Park New Pedestrian Entrance
- RD, Broad St., Geothermal Extension & Hookups \$500,000
- RD, Broad St., Capitol-2nd Street & Infrastructure Improvements \$2,000,000
- RD, Central Addition, Numbered Street Streetscapes
- RD, Central Addition Gateways: Myrtle (5th/3Rd), Front (5th/3rd)

Background:

ZGF Architects LLP were hired to complete a conceptual design for Broad Street based on stakeholder input. The conceptual design package has been completed. The Agency has issued RFPs for CMGC and Design professional services to take the conceptual package through design development, approvals and construction. This is an informational item as to status update.

Staff Recommendation:

N/A

Suggested Motion:

N/A



FRIDAY UPDATE

JANUARY 8, 2016

TO: John Hale, Chairman, CCDC Board Executive Committee
FM: John Brunelle, Executive Director
RE: CCDC Operations Report – December 2015



SOUTH EAST CORNER

bascock design group

Parcel B Block- PERSPECTIVE

Our in-depth review and consideration of allocating \$6 million or more of CCDC financial support to a potential \$60 -- \$70 million (estimated) development on approximately five acres in the River Myrtle District was a focus item in December. The transformation of this sizable parcel from an untaxable dirt lot to a mixed development to support hospitality, tourism, and new office buildings has been approved by City of Boise's Design Review and other officials. The developer is working with the property owners, the Greater Boise Auditorium District, to finalize the land transaction in February. As you know, the agency is reviewing this opportunity through our Participation Program process, with the additional consideration of enhancing public parking



options at this location. I recently discussed this project, either solo or alongside CCDC and City leadership, with representatives from the following local development firms who sought more details and offered their own opinions: Obie Development; Rafanelli Nahas; Old Boise LLC; Hawkins Companies; PEG Development; Pennbridge Development; Oppenheimer Development; Block 22 LLC; and Raymond Management. Here is a follow up email from one of the developers following these meetings: "...just a quick note to say, "Thank you" for your time and consideration. I do not envy the role you are in but greatly appreciate the time and passion it takes to do make CCDC as successful as it is."

CCDC's downtown housing efforts are coming to fruition. Twenty-eight of 67 condo units at The Afton are under phase one construction; the One Nineteen will be adding 26 condominiums to the downtown market in 2016; groundbreaking for The Fowler will add 158 apartment units; and 15 townhomes are under construction on 16th and Idaho Street . The CCDC development agreement for 1401 W Idaho could add 37 more apartments. These projects **bring 303 new housing units (many two bedroom) to our districts**, and we are involved in others as well. The 2015 CCDC Downtown Housing Study (<http://www.ccdcboise.com/wp-content/uploads/2015/02/BoiseDowntownStrategy-FINAL.pdf>)has been instrumental in generating interest, and CCDC Participation Program has been crucial to moving these projects from concept to reality. The Agency's work in the past two years has been the key factor to many downtown projects of various sizes and types -- and our proactive strategies to catalyze development in our districts will amp up even more in 2016.

Development Team: Todd Bunderson, Doug Woodruff, Shellan Rodriguez, Karl Woods, Matt Edmond, Laura Williams & Jay Story

The Hyatt Place

The project's final T2 scoring is still to be determined but, due to the developer's schedule, staff is working with the development team to finalize an agreement for CCCDC board approval in February 2016.

The Grove Plaza Brick Program

"The Grove Plaza: Brick by Brick" program had a successful holiday season garnering 1,250 bricks sales. Bricks can be purchased at www.thegroveplaza.com. Staff is actively marketing in a variety of ways including press releases and media coverage, social media, mailers, posters, and at events downtown.

"The Fowler" Local Construct Project - 5th & Broad

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.

Bannock Streetscape Improvements

CCDC has worked with consultants to evaluate the existing conditions of the vault adjacent the Hoff Building on Bannock for structural integrity and ability to be renovated vs. replaced.



Conclusions show a very intensive and costly project should the vault lid be replaced. CCDC received proposals from consultants for streetscape design on 10/28/15 to complete DR level approvals for streetscape design. CCDC is pausing on the project to decide if the design and construction work should be postponed to align with ACHD's DBIP work in the area in 2019.

PP3: Gardner - City Center Plaza Project

Construction continues to advance with building topping off completed on the nine level Clearwater Tower and the five level Boise Centre expansion. Gardner Co. has indicated that the north spoke of The Grove Plaza will be turned over to McAvlain construction by April 18, and the central plaza by May 30.

TheGrovePlaza.com

CCDC staff is developing thegroveplaza.com website which is being designed by Carew Co. The production of the website also includes development of a unique logo for The Grove Plaza. The website is anticipated to go live in February 2016.

Bike Rack Infill

CCDC, Boise PDS, and ACHD staff met and discussed a streamlined application process, including:

1. ACHD ROW staff will pursue a blanket license agreement to allow prompt staff approval of specific locations
2. ACHD traffic engineers have approved an alternative bike corral concept based on Portland's standard bike corral
3. CCDC and Boise PDS staff will develop a draft application form
4. Boise PDS will pursue waiver of parking fees charged by Boise Parking for corral installation

CCDC is also working with COMPASS, BSU and Boise City on additional bike parking in the vicinity of Grove Plaza/Main Street Station/City Center Plaza.

Historical Museum Streetscapes

Museum expansion/renovation is expected to break ground May 2016 and be complete August 2017. Final agreement (est. \$150,000) will be on Feb. board meeting consent agenda. Still awaiting comments from Idaho DPW.

MMC: Ongoing FTA Matching Funds

CCDC is providing a 20% (\$2.4 million) local match to VRT's 80% (\$10 million) FTA earmark to construct Main Street Station (MMC). Monthly draws are invoiced, reviewed and coordinated with VRT to pay the developer, Gardner Company. To-date, \$1,649,275 (roughly 71%) of the local match has been drawn.

Brownfield Assessment Grant Application

CCDC submitted a request to EPA on December 18 for a \$400,000 grant to fund a community wide assessment effort in the 30th Street/West End area. This would be to conduct Phase I and Phase II assessments of potential brownfield sites in the area and to improve awareness and

encourage redevelopment/reinvestment in the area. The grant request had broad support (ACHD, Boise City/Ada County Housing Authority, City of Boise, West Downtown NA, Idaho Conservation League, Idaho Rivers United, Idaho Smart Growth, and Jannus. EPA is expected to notify grant winners in March/April.

5th & Idaho Mixed Use Apartments

The CCDCs proposed participation will be for a Type 4 Participation Agreement for streetscapes and undergrounding utilities as well as a Type 2 for a public park area including land, improvements and structure associated with park in order to move forward with their financing. The developer requested staff delay the drafting and approval of the Type 2 and Type 4 Agreements due to reevaluations in regards to construction costs. Staff and Counsel are on hold currently at the request of the developer.

CWI Announces Intent to Purchase

During December, CWI trustees voted to proceed with purchasing the old Bob Rice Ford location. This is great news for the West End and downtown Boise! The new Ada County campus will allow CWI to move from various leased locations and build a permanent home in Boise's downtown. Stay tuned for more information on development and campus visioning timelines.

Environmental Phase II Completed on City Property

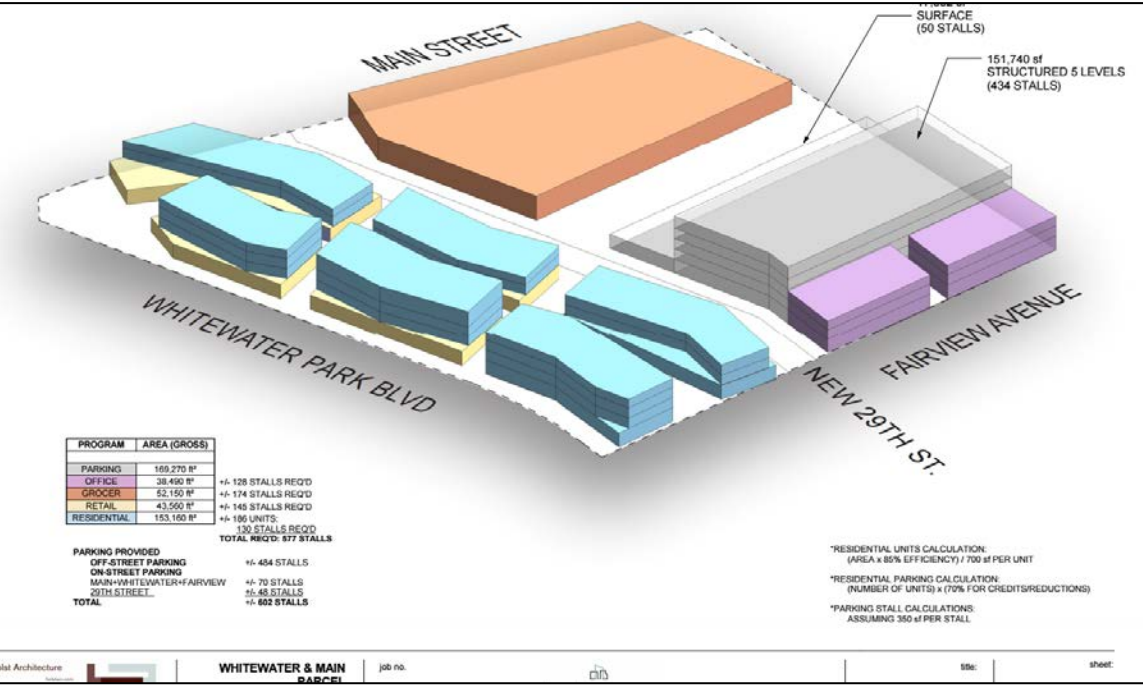
With the help of the Department of Environmental Quality (DEQ) and their Brownsfield Program, a Phase II environmental assessment on the City's 6.5 acre property has been completed in preparation for redevelopment. These studies are imperative when determining potential redevelopment cost and possible future uses. As the City looks to dispose of this property, this information helps remove barriers for redevelopment.

City Council Work Session with LocalConstruct

LocalConstruct is currently in an exchange agreement with the City to potentially obtain the 6.5 acre City property in the West End. The City has several goals for this property: increase connectivity in the area, help supply housing for the West End, and provide a development that will help spur neighborhood revitalization. LocalConstruct presented preliminary concept plans to City Council. A few of these renderings are included in the supplemental information.



- A. RESIDENTIAL:
- B. RETAIL:
- C. GROCER:
- D. COMMERCIAL OFFICE:
- E. PARKING:





If you would like the whole presentation, please contact me, and I can email it to you.

Bridge / Greenbelt Construction

There has long been a gap in Greenbelt connectivity on the south side of the Boise River between Main and Fairview. Construction to close this gap has recently started. Completing this section of Greenbelt will be a welcome addition for commuters, walkers, bikers, and people enjoying the Boise River.

Financial Summary

30th Street Revitalization Plan	Budget	Actuals	Through Jan (est)
Building the Team	\$75,000	\$18,750	\$25,000
Other (professional services, office supplies, etc.)	\$10,000	\$0	\$0
Architecture & Planning	\$25,000	\$0	\$0
Property Owner /Investor/Developer Outreach	\$40,500	\$1,080	\$1,080
Mapping	\$1,000		\$0
Building a Presence	\$16,000	\$3,600	\$3,600
Mileage & Expenses	\$2,500	\$0	\$0
Total:	\$170,000	\$23,430	\$29,680

George's Cycle Streetscape

Staff is requesting Board approval of this project as a T1 Streetscape Grant for approximately \$140,000. The renovation will likely be complete early 2016. The board received general information on this project in December 2015.

RMH Company DDA - 620 S 9th St – “The Afton”

The development is moving forward and the Developer is working through the soil remediation. Costs are higher than expected. Developer asked CCDC to consider additional assistance.

Paulsen Building

Staff requested Board designation of this project as a T1 Streetscape Grant for approximately \$150,000 to underground utilities in the alleyway. An agreement will be presented for approval in the future.

Pioneer Corridor Phase 3 Construction

All curbing and pavers are installed and the pathway is open to traffic. Still awaiting delivery of lights (late January) and benches (mid February), installation of bollards and trash cans (on hand), and compaction and top dressing of pavers (weather dependent). Substantial complete will be February 15.

Public Art - Traffic Box Artwork

CoB Arts and History has reissued an RFQ for the Traffic Box Artwork fabrication. Contractor selections to provide fabrication and installation of t Traffic Box Artwork were be made on 12/15/15. The artwork will need to be installed next year due to temperature installation requirements.

PP4: JPA: Public Works Central Addition Geothermal Expansion

CCDC is in cooperation with Public Works is seeking CMGC services to conduct the geothermal system expansion in unison with the Broad Street GSI and streetscape improvements in summer 2016. CCDC staff will be recommending a CMGC firm to the Board at the February board meeting.

617 S. Ash St. (Erma Hayman House)

Preservation Idaho has requested a CCDC letter of support for a \$30,000 grant application to renovate and operate the structure. The letter is due by January 13, 2016 and has been provided to staff for signature.

Front & Myrtle Redesign

Boise Elevated has developed a problem statement with broad support. CCDC and Boise staffs and Boise Elevated are working on a proposed scope of work for an alternatives analysis to discuss with ITD and ACHD officials. Once there is reasonable agreement, CCDC will put out an RFQ for a consultant to conduct analysis.

PP3: JUMP!/Simplot HQ

Final agreement (est. \$875,000) tentatively scheduled on February board meeting consent agenda. Still finalizing timing of reimbursement with developer.

Property Development: 503 - 647 S. Ash Street

Staff met with COB to discuss this neighborhood and next steps. The COB is starting a planning a project for this neighborhood that may add value to CCDC property.

SS: Broad Street (Capitol/2nd)

Agency staff have been working closely with City of Boise and ACHD to vet initial concept designs. City of Boise is preparing a Letter of Intent to maintain the storm water infrastructure to satisfy ACHD's requests. Procurement of a CMGC is underway and staff intends to request selection of a CMGC in February.

City Hall Plaza Design & Funding

City staff and CCDC staff are drafting a T4 participation agreement to reimburse \$1,225,000 of construction costs of city hall plaza renovation. The negotiated agreement will be brought to the Board in early spring 2016 for approval.

MMC: Environmental & Tree Wells

Construction continues to advance with building topping off completed on the nine level Clearwater Tower and the five level Boise Centre expansion. Gardner Co. has indicated that the tree wells in the VRT structural lid will be completed by May 30.

SS: S 8th St (Broad/Myrtle)

Ownership of 8th Street Marketplace's DR application for sidewalk improvements on both sides of S 8th Street from Broad to Myrtle has been approved with conditions by City of Boise Design Review department. With a few adjustments to the plans, the project should advance on schedule. Construction is anticipated to occur in spring 2016.

The One Nineteen

Staff is requesting Board approval of a T1 Streetscape Grant for approximately \$150,000 in streetscape improvements for this development

West End SS Standards

Draft streetscape manual sent to Boise PDS in November to consider adding as an attachment to its Downtown Design Guidelines rather than a comp plan amendment. It is scheduled to go before Design Review 1/13, and thereafter to P&Z and City Council. Once that occurs, CCDC will go about stripping old streetscape standard attachments from its urban renewal plans. At the request of Boise PDS; CCDC, Boise PDS, and ACHD staffs are discussing whether to add specific planting details with the Main & Fairview Green Street standards.

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.

CCDC Records Project

Most notably by end of January all boxes will be in drawers, some files taken off-site, and some prepped for Board approval of destruction. February's update will detail what work remains along with a plan.

2.5 acre city parcel

Staff has met with the COB and developers regarding proposals for affordable housing on this property. No formal requests have been received but staff continues to meet and participate as needed.

Parking & Facilities Team: Max Clark & Ben Houpt

Capitol Terrace Parking Expansion

Ken Howell has been invited to the January or February Mobility Steering Committee to present his expansion again plans for the Capitol Terrace building. At this writing it is unknown whether he'll be able to attend one or the other.

Exterior Signage for All Garages

Signage applications of the logo are currently being vetted. The four sign types are streetside wayfinding; vertical monument signs on the sides of the garages above the entrances; furnishing zone variable messaging signs at the entrances to each garage; and small 'pay here' signs guiding returning parkers to the Pay on Foot machines in each garage.

Parking Rate Examination

The Board approved monthly rate increase went into effect on January 1, 2016. There were few cancellations, with those being filled by individuals on the wait lists.

Rebranding Parking System

The parking brand has been determined to be ParkBOI. A logo favorite has been selected and is being refined. A brief Board presentation showing the various applications of the logo is

planned for January 11th. The overarching mobility brand is being worked on by a group led by the City.

COB - Downtown Transportation Plan

Staff have reviewed the draft and provided feedback to the authors. It appears to be consistent with many of the findings and recommendations we expect from the Parking Strategic Plan, due for CCDC Board review at their February 8th meeting.

Finance Team: Ross Borden, Mary Watson, Joey Chen, Kevin Martin & Peggy Breski

Annual Independent Audit of Agency Fiscal Year 2015 Financial Statements

The Board's Audit Committee (Executive Committee) will meet to review the statutorily-required annual, independent, external audit of the Agency's FY 2015 financial statements immediately prior to the Board's regular January meeting. The audited financial statements were issued January 4 by Eide Bailly LLC. The committee will have the opportunity to discuss any issues, first with both the auditors and staff and then privately with the auditors. Eide Bailly will then present the audit to the full Board as an Action Item.

The final step in this annual process is the distribution of the audit to the statutorily-required entities such as the Agency's sponsor the City of Boise, the Idaho Legislative Services Office, and financial institutions to whom the Agency is currently repaying debt.

Excellent work throughout FY 2015 by Controller Joey Chen and Accountant Kevin Martin resulted in 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 – if understated – outcome.

Risk-Based Cycling Review: Year 2 of 3

With the Board's acceptance last month of the Year 1 Risk-Based Cycling Review of Parking and Revenue Control System (PARCS) policies, procedures and internal controls and the Parking Operator's Management Response, attention has shifted to the Year 2 examination of the Agency's computer system security. That review will be formally begin in the spring by Eide Bailly LLC. The three year RBCR plan will conclude in 2017 with an analysis of the Agency's accounting and contract management policies, internal controls and conformity to best practices.

Other Accounting Issues

With the annual audit and first Risk-Based Cycling Review completed, it's time for calendar year-end payroll and Form 1099 reporting, updating various forms with new rates and revised personnel manual impacts, catching up on the monthly financial reports and, after closing out the month of December, compiling the first quarterly report of FY 2016.

GBAD Expansion (Centre Building) Conduit Financing

Agency and Greater Boise Auditorium District staff; along with its financial advisor and attorneys continue to work on plan 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. 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. Refer to the Agenda Bill associated with this Action Item on the Board's regular January meeting agenda for recent developments.

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
Final Cost:	\$705,047 (+1%)
Status:	Complete

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.
Costs To-Date:	\$594,395.
Status:	Nearing Substantial Completion. With only three change orders to-date, this project right on budget.

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
Contract to Board (tentative):	February 8

Broad Street – LIV District Public Infrastructure Improvement Project

- For Professional Design Services.

Request for Proposals Issued:	January 4 to three pre-approved firms.
Submissions Due:	January 14
Contract to Board (tentative):	February 8

OTHER CONTRACTS ACTIVITY

RFQ: Construction Manager / General Contractor (CM/GC) - LIV District Broad Street Project

Request for Qualifications issued on December 8 for a CM/GC for this complex and high-profile cooperative project. A non-mandatory informational pre-proposal meeting was held at CCDC December 16. Representatives from four construction firms attended. Responses from interested construction firms with the proper CM/GC licensing are due by January 7. Staff anticipates an Information Item on the Board's January 11 agenda and expects to provide the Board with sufficient information to decide whether to hire a CM/GC for the project at its February 8 meeting.

The Grove Plaza Brick Fundraising

Amendment to the original Agreement with Fund Raisers LTD integrating a fund-raising program with local schools and youth groups.

The Fowler (formerly The Roost)

Task Order to Kimley-Horn to perform a final review of the updated/final parking structure plans.

Oppenheimer Development Corp

Task Order to Kimley-Horn to perform analysis of a proposed new parking garage in partnership with Oppenheimer Development Corp.

8th Street Corridor Master Planning

Task Order with Jensen Belts Associates to assist the Agency in developing a new master plan, including engineering calculations and storm water evaluations, for the 8-block area bounded by 9th Street, Broad Street, Capitol Boulevard, and the Boise River.

Garage Exits

Task Order to Jensen Belts Associates, including subcontract with Quadrant Consulting engineers, for design services for installation of truncated domes at the exits of each garage.

Downtown Public Parking

Contract for The Car Park's management of the Agency's surface parking lot at 1403 W. Idaho St.

Parking Activities

Drafting and facilitating proper Legal Notice for the Agency's parking rate increases.

Multi-District Sidewalk Repairs

Task Order with Capitol Landscape for sidewalk paver repairs.

8th Street Patio License

License Agreement for outdoor dining at Wild Root Café.

Public Presence for Better Bidding

In cooperation with the Idaho State Department of Education, the Agency's public bidding opportunities are now showcased state-wide with a link on the department's website. The Agency finds itself in familiar company with Ada County, the City of Boise, and the City of Meridian, and anticipates the increased online visibility will help bring more competitive bidding our way. <http://www.sde.idaho.gov/topics/contracting-opportunities/>

Office Updates

Service contract for office painting. Work completed under-budget and on-schedule.