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CAPITAL CITY DEVELOPMENT CORPORATION

2013 ANNUAL REPORT

collaborate. create. develop. complete.

WHAT IS CCDC?

An agency charged with building vitality in downtown Boise!

IMPROVE

CCDC improves downtown infrastructure by repairing and widening sidewalks, and adding amenities like trees, benches and street lights. Through the ownership and maintenance of North 8th Street and the Grove Plaza as public spaces, CCDC further strengthens downtown Boise's vitality and beauty.

DEVELOP

The agency promotes development through assisting in public streetscapes, investing in infrastructure and utility updates, purchasing and redeveloping strategic downtown property and constructing and managing public parking garages to offset the need for private parking and preserve land for development.

GROW ECONOMY

CCDC works to grow the downtown economy by improving public spaces and assisting development needed for business growth. It also does this by supporting specialized efforts such as the ownership and lease of the WaterCooler business incubator building located in the Linen District. The agency works hand-in-hand with local economic development agencies.

BOISE'S REDEVELOPMENT AGENCY

Capital City Development Corporation is a dedicated group of professionals working to strengthen downtown Boise. CCDC builds public infrastructure that supports downtown development projects, serves as a catalyst for private development, and fosters economic growth throughout the downtown Boise area.

CCDC invests in four urban renewal districts downtown: Central, Westside, River Myrtle-Old Boise, and beginning in 2013, 30th Street.

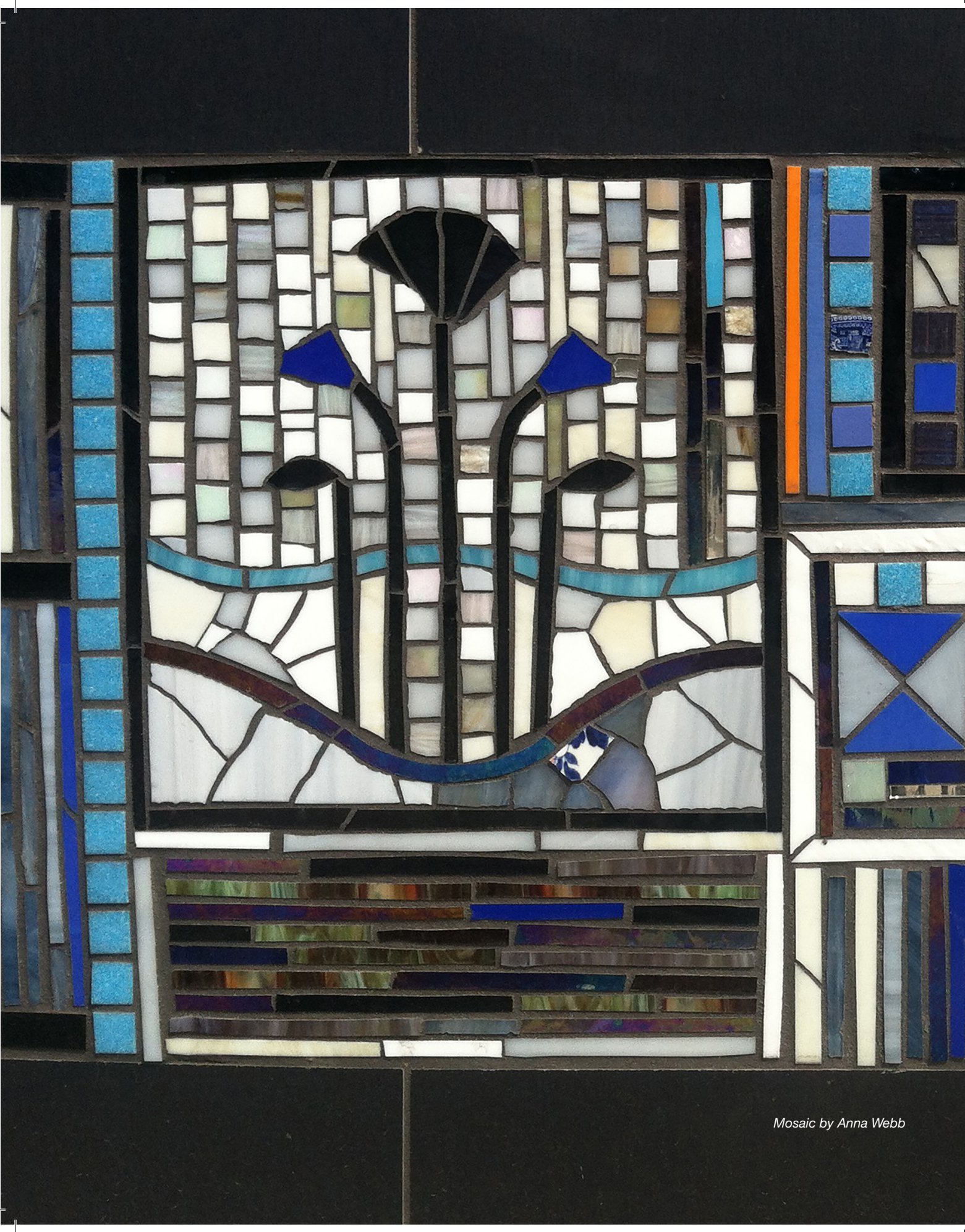
Central, the city's oldest district, is home to 8th Street cafés, the Grove Plaza, the state's tallest buildings and the greatest pedestrian activity.

Westside includes a portion of the downtown core, a residential neighborhood to the west and the burgeoning Linen District with an eclectic mix of shops, restaurants and commercial businesses.

The city's largest district, River Myrtle-Old Boise is made up of two distinct zones: the areas adjacent the Boise River and parks which includes arts and culture uses; and the historic downtown section known as Old Boise.

Formed in December of 2012, 30th Street is the newest of the downtown districts. This investment area runs along 27th Street, the new Whitewater Park Boulevard and encompasses the West Main Street and Fairview Avenue corridor, gateways to the downtown core.





Mosaic by Anna Webb

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A letter from CCDC Board Chair, **JOHN HALE**



It’s no stretch for me to declare this one of the most exciting times to live and work in Boise. As CCDC’s board chair, I am most encouraged by our role in a renewed climate of multi-organization collaboration.


Under the leadership of our new executive director John Brunelle, we look forward to an incredible slate of high-value projects. John is strengthening partnerships with key stakeholders such as the City of Boise, the Greater Boise Auditorium District, BSU, the DBA and ACHD.

One of our greatest deliverables this year, CCDC developed a comprehensive analysis and work plan for the walkability/bikeability of the downtown core. This study focused on safe bikeways, pedestrian pathways, vehicular traffic flow and the impact of our one-way street grid. This study has already improved the design of commercial projects and the planning for proposed street improvements. Information is available at ccdcb Boise.com.


CCDC also played a pivotal role in the development of high-impact commercial projects including 8th & Main, Owyhee, Trader Joe’s, Ten Barrel and many downtown streetscapes. We look forward in the coming year to major projects on the Grove, the development of our 9th Street warehouse and the Whitewater District.

I am honored and excited to be working with a great Board, engaged staff and our private/public partners to make Boise the most liveable city imaginable.


CCDC BOARD OF COMMISSIONERS




Dana Zuckerman
CCDC Vice Chair




Pat Shalz
CCDC Secretary/Treasurer




David Eberle
City Council Member




Lauren McLean
City Council Member



David Bieter
Mayor, City of Boise



Ryan Woodings
Founder, MetaGeek



Stacy Pearson
VP for Finance and Administration,
Boise State University

A letter from CCDC Executive Director, **JOHN BRUNELLE**



To paraphrase a famous quote: “Champions are made from something they have deep inside them—a desire, a dream, a vision.” As the new guy at CCDC – yet, certainly not a new guy on the “Boise block” – my job is to ensure that CCDC continues to be the champion of results-driven development partnerships and innovation that makes our city one of the best places to live and do business.

Desire, dreams and vision are at the core of our agency and you don’t have to look far to see the legacy CCDC continues set forth. Growth and positive energy abound in downtown Boise, and the 767 acres that make up CCDC’s four districts should be considered “in play” for visionary and public-minded people with great ideas.

This agency has benefitted from work and leadership of many board members and employees over its nearly 50 year history. One of the true champions of CCDC is Phil Reberger, who recently ended his service to the agency after 15 years as a commissioner. One of his final acts as board chairman was approving my hiring as executive director. The pressure to fulfill his expectations and belief in my abilities will continue to guide my term as the leader of CCDC.

We invite you to join other team-oriented leaders, developers, builders, local government agency partners, and investors who come together every day to collaborate, create, develop and complete. As a Boise native, I couldn’t be prouder or more excited to be on the forefront making our city the best it can be.

THE CCDC TEAM



Back Row (left to right): Céline Acord, Max Clark, Nicole Gyllenskog, Todd Bunderson, Deah LaFollette, and John Brunelle
Front Row (left to right): Ross Borden, Jane Reed, Valinda Speakman, Morgan Maiolie, and Pam Sheldon

FINANCES

Statement of Net Position

The Statement of Net Position reports on the assets and liabilities of the agency. Fiscal year '13 reflects a stable and strengthening fiscal position. As of September 30, 2013, the assets of CCDC exceeded its liabilities by \$21.9 million closing the fiscal year with an increase of 13% over the prior period.

This increase in net position represents an additional \$2.5 million over the prior year primarily due to assets remaining stable together with a reduction in liabilities. Liabilities were decreased primarily due to a reduction in outstanding bond principal.

Statement of Activities

The statement of activities reports on the agency's operating revenues and expenditures.

Revenues

Revenue allocation is the agency's primary source of revenue providing resources to implement redevelopment plans. Parking is the agency's other key source of operational revenue supporting the operation and maintenance of the downtown public parking system's six parking garages and approximately 2,500 parking spaces. Charges for services represent pass-through revenues related to the Ada County Corridor Project. Operating grants represent minor and project specific revenue funding sources.

Total fiscal '13 revenues increased just over 4% and \$674,048 over the prior year. The

majority of the increase was due to additional parking revenue related to a higher volume of parking activity and longer lengths of stay. No general fee changes were made during this reporting period. Property tax increment revenues remained relatively stable with fiscal '13 revenues 2.6% and \$242,711 less than the prior year due to lower property valuation and activity.

Expenditures

Program expenses increased in fiscal '13, primarily a result of increased investment in community development capital improvement projects in the downtown redevelopment districts. Interest on long term debt expense decreased in 2013 as debt service payments on agency bonds were paid. Parking facilities expense for 2013 was also below the prior year due to savings and efficiencies in parking operations through significant public parking garage capital improvements. These types of improvements are part of the agency's parking reinvestment program designed to preserve public assets and extend the usable life of the facilities.

Overall, fiscal year 2013 reflects stable revenue and sustainable expense with a focus on development and public infrastructure improvement. The close of fiscal year '13 places the agency in a strong financial position to advance on additional downtown redevelopment goals.

Statement of Net Position	FY 2012	FY 2013
Assets		
Current and other assets	\$76,966,345	\$73,805,235
Capital assets	22,692,985	22,203,369
Total Assets	99,659,330	96,008,604
Liabilities		
Long-term debt outstanding	67,275,341	61,778,695
Other Liabilities	12,954,135	12,284,506
Total Liabilities	80,229,476	74,063,201
Net Position		
Net investment in capital assets	11,537,985	12,650,179
Restricted and unrestricted	7,891,869	9,295,224
Total Net Position	\$19,429,854	\$21,945,403

Statement of Activities	FY 2012	FY 2013
Revenues		
Program Revenues		
Charges for services	\$2,202,217	\$2,072,269
Operating grants and contributions	515,465	989,797
Parking	3,858,593	4,448,882
Total Program Revenue	6,576,275	7,510,948
General Revenue		
Property tax increment	9,242,987	9,000,276
Unrestricted investment earnings	23,054	5,140
Total Revenues	15,842,316	16,516,364
Expenses		
Program expenses		
Community development	4,983,993	6,660,296
Interest on long-term debt	3,864,306	3,593,703
Parking facilities	3,982,317	3,746,816
Total Program Expenses	12,830,616	14,000,815
Increase in net position	3,011,700	2,515,549
Net position - beginning	16,418,154	19,429,854
Net Position - Ending	\$19,429,854	\$21,945,403



Zions Bank Building

CCDC PARTICIPATION PROGRAM

CCDC’s commitment to promoting downtown development can be seen in the participation program, which is aimed at stimulating development with public infrastructure investments. The goals for the program are to create a process that is transparent, understandable, consistent and expedient.

Proactive outreach efforts by CCDC staff in 2013 led to all five types of the Participation Program options being activated in the last four months of 2013!

Type 1: Streetscape Grant

- Reimburses public streetscape improvements in the ROW (materials and labor)
- Reimburses first \$25,000 + 50% of the remaining costs; not to exceed \$150,000 per project
- Example: CSHQA and Trader Joe’s

Type 2: General Assistance

- Reimburses public streetscape improvements and public infrastructure, historic facade improvement, and certain site remediation costs
- Project must score between Tier 1 and 3 on the Participation Scorecard to receive reimbursement
- Assistance is determined by the project’s score, the legally eligible costs, and the project value which is reimbursed over the first four years of annual increment income received by CCDC
- Example: Owyhee Plaza

Type 3: Special Assistance

- Assists large, transformative projects with significant community value
- CCDC may assist with public improvements, stakeholder outreach, financial feasibility studies, economic impact studies and financing of public facilities in this customized approach
- Each Type 3 project is unique and is subject to detailed review by the CCDC Board
- Example: Multi-Modal Center

Type 4: Public-Private Coordination

- CCDC-initiated Capital Improvement Plan (CIP) may be co-timed with other developments
- CIP is updated during the yearly CCDC strategic planning and budgeting process
- Example: City Hall Streetscape

Type 5: Property Disposition

- CCDC makes targeted and strategic land purchases and then releases RFP’s for its redevelopment
- A Development and Disposition Agreement (DDA) and utilizes a specialized appraisal determine a fair value for the land relative to the proposed use
- Terms and conditions of the redevelopment are customized to each property, but include a stipulated timeframe for the development’s completion
- Example: 620 South 9th Street



Tenants in the Eighth & Main building

CENTRAL DISTRICT UPDATE

The agency's Central District continued to serve as the heart of downtown Boise as activity in the Grove Plaza and the two most active blocks of North 8th Street remained high. Once again, the Central District attracted more people and investment dollars than any other area of downtown Boise thanks to the combined effort of many, including the Downtown Boise Association (DBA), the Greater Boise Auditorium District (GBAD) and the City of Boise. Although the area was somewhat of a construction zone, keeping the CCDC-owned Grove Plaza and 8th Street blocks clean, safe, and attractive to citizens remained a priority. The ongoing

facilitation efforts of CCDC leadership to connect users, landowners and capital is more important than ever as we anticipate urban renewal exiting this district in 2018. Due to the timely efforts of many organizations, the stage is set for even more significant investment in the Central District in 2014.

Central District Profile:

Size:	34 acres
Term:	FY1989 – FY2018
Base Value:	\$34 million
2013 Value:	\$183 million



Heliotrope by Dwaine Carver & Trout Architects



Children in Grove Fountain at Alive After Five
Photo Credit: Idaho Statesman



Capitol City Market



South 8th Street streetscape

RIVER MYRTLE – OLD BOISE DISTRICT UPDATE

At 340 acres, CCDC's River Myrtle-Old Boise District is by far the largest urban renewal district in city. The diverse neighborhoods and varying infrastructure present unique opportunities and challenges for the agency. CCDC played a role in the new Whole Foods and Walgreens site, worked closely with CHSQA on its adaptive reuse project in the Central Addition and helped pave (or brick) the way for Trader Joe's at the prime location on Capitol Boulevard and Front Street. Beautiful new streetscapes were completed on both sides of South 8th Street and under the 15th Street overpass, while significant investment in the subsurface on South 8th Street prepared the area near the

City of Boise's main Library for additional development. A request for proposals on CCDC's property at 620 South 9th Street attracted six high-caliber developers and exciting concepts, to lead to a construction project there in 2014. The agency also completed Phase 2 of the Pioneer Corridor pathway and cleared an adjacent parcel for future development as well.

River Myrtle – Old Boise Profile:

Size:	340 acres
Term:	FY1996 – FY2025
Base Value:	\$134 million
2013 Value:	\$359 million



Broad Street streetscape



15th Street streetscape
Mural by Ward Hooper and community youth



Grand Opening of Trader Joe's
Photo credit: Idaho Statesman



Owyhee Plaza during construction

WESTSIDE DISTRICT UPDATE

Activity continues to accelerate in the Westside District and a number of renewal opportunities await the attention of possible builders, developers, visionaries and investors. CCDC maintained its momentum on the sidewalk projects, completing 4,220 more lineal feet of pedestrian friendly space in 2013. A major project in this section is the Owyhee, as one of Idaho's venerable hotel landmarks transitions to mixed-use residential, retail and office. The revitalization of the Westside has been fueled by private investment in the Linen District, the Owyhee, Boise Plaza and others. An opportunity remains at the corner of 10th Street and Idaho Street, where the Macy's Corporation exited its profitable 115,721 square foot downtown Boise department store in 2009.

CCDC's commitment to supporting entrepreneurship and the startup business culture continued through 2013, most notably through its involvement with the Boise WaterCooler. As Boise's first business incubator, the WaterCooler project continues to generate innovation and grow new businesses in downtown Boise.

Westside Profile:

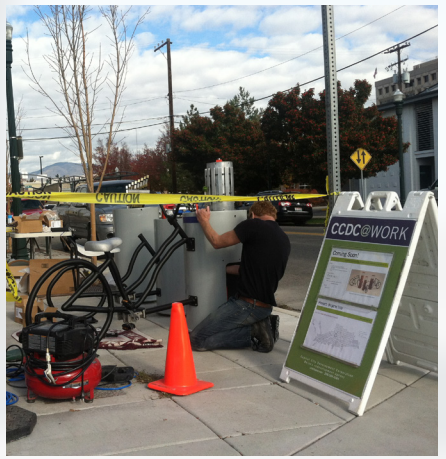
Size:	144 acres
Term:	FY2003 – FY2026
Base Value:	\$142 million
2013 Value:	\$228 million



Concept of the future Owyhee Plaza



9th Street streetscape



Public artwork during installation



30TH STREET DISTRICT UPDATE

When the city established this new district in 2012, there was some debate as to the name. We'll call it "30th Street" for now, but there is no longer a 30th Street in the district. The name "West End" has become in vogue, and, like its North End and East End counterparts in the City of Trees, the area brings unique history and future growth opportunities. Whitewater Park Boulevard was constructed and opened in 2013, thanks to the efficient work of the Ada County Highway District (ACHD), the City of Boise, and other partners. Targeted streetscape improvements on remnant property adjacent to the new boulevard were initiated in late 2013. CCDC and the City announced a special collaboration as well, dedicating resources and personnel to focus on generating interest in the area and facilitating

the sharing of data and land use options for potential investors. The newer businesses in the district, such as EberleStock and Idaho River Sports, will soon be joined by Whitewater Oral Surgery PLLC, a project breaking ground in the coming months. The months ahead will also bring the first-ever West End Summit, the enhancement of 27th Street from State to Fairview, and exciting improvements at the nearby Esther Simplot Park site.

30th Street Profile:

Size:	249 acres
Term:	FY2014 – FY2033
Base Value:	TBD Tax Year 2013 / FY2014
2013 Value:	TBD Tax Year 2013 / FY2014



West End logo



Ribbon cutting for Whitewater Park Blvd



New logo concept on building



On-foot pay station

PUBLIC PARKING IN DOWNTOWN BOISE

In 2013, CCDC completed its first full year in the new partnership with Ampco Systems Parking/The Car Park running the nearly \$4 million dollar public parking garage enterprise. Under the banner of DPPS (Downtown Public Parking System), the five-year agreement is paying early dividends and improvement efforts are underway to gain even more efficiencies and enhancements for those who enjoy parking in the downtown area. In addition to the ongoing repair and maintenance of CCDC's six parking garage structures, new automated payment systems are

being installed. Parking downtown in these garages will benefit from this modernized system and will provide faster exiting, lower costs, improved parking information and 24/7 operating hours. The project is being tested in the Eastman garage and will roll out system-wide in 2014. There are 2,561 parking spaces in six parking garages operated by the Downtown Public Parking System for CCDC. Development trends in the Central, Westside and River Myrtle-Old Boise districts indicate a likely need for additional structures in the coming years.



Capitol Terrace Garage



DPPS General Manager, Troy Harris



Public Parking Entrance Sign



WaterCooler building on Idaho Street

SUPPORTING ECONOMIC GROWTH

WaterCooler, Walking, and Wayfinding

Located in CCDC's building at 14th Street and Idaho Street, the WaterCooler has offices, meeting rooms, cubicles and event space. It is downtown Boise's home to emerging and innovative businesses, encourages collaboration and offers mentoring, community engagement, growth and success. CCDC is proud to offer a venue for dialogue, learning, creativity and the entrepreneurial spirit.

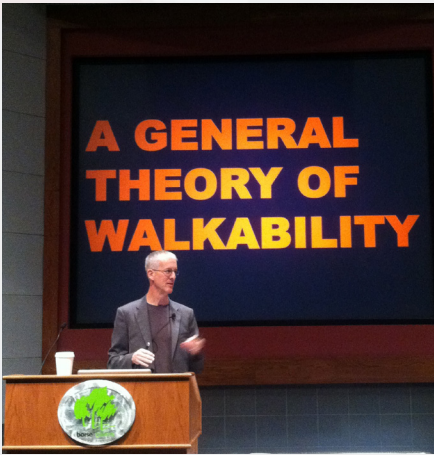
In another partnership, the DBA and CCDC are collaborating with a number of stakeholders to create the new Downtown Boise Wayfinding system. The wayfinding system will involve a network of information, direction and identification signs that work in unison to support businesses and help guide people throughout the downtown area. The initial effort will focus on downtown Boise, but could be expanded in the future to include entry points and destinations in other areas. The agency selected Sea Reach Inc. to develop the system and is currently working

with key leaders and the general public in the planning phase.

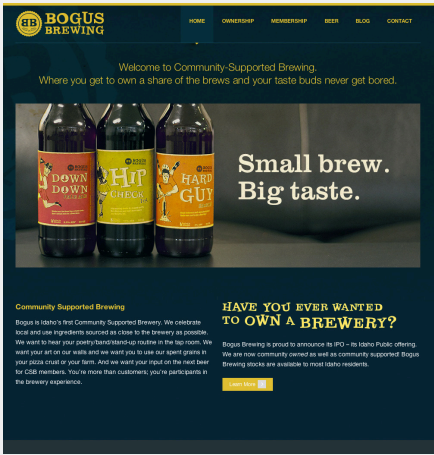
Thanks to the visionary leadership of CCDC Commissioner Dana Zuckerman, the agency embarked upon its first-ever Downtown Walkability Analysis in 2013. The Downtown Walkability Analysis was researched and written by Jeff Speck, author, city planner and architectural designer. The analysis was published in October 2013 for CCDC and their downtown partners. The recommendations include ways to strengthen Boise's downtown by improving the streets, sidewalks and buildings that make up its urban fabric. CCDC, ACHD, and the City of Boise are currently evaluating implementation strategies for the recommendations, which reflect pedestrians and bicyclists as key supporters of local business. Coordination with CCDC's streetscape projects (as well as ACHD's plans to increase two-way streets and bike lanes) makes this undertaking timely and significant as CCDC works with others to build a better downtown Boise.



People walking downtown



Jeff Speck presents walkability recommendations



A recent graduate of the WaterCooler



Bicycle Trio on 14th Street by David Cole & Michael Brown

SUPPORTING ECONOMIC GROWTH

Commitment to Public Art

Working closely with the City, CCDC made public art a priority in the past year. With the goal to extend north 8th Street's economic vitality south, through BoDo, CCDC instigated an ambitious three-part EcoArt series along the 8th Street corridor. Each of the three works educates about a unique facet of the ecology of Boise. Two of these artworks have been completed: Heliotrope, at the corner of 8th and Main and Litharacnium, at the corner of 8th and Broad. The third and final piece, Virgo, will be constructed at the corner of 8th and Front this summer.

In the Westside District, CCDC completed Bicycle Trio, an interactive artwork which invites people to make music on the streets of the Linen District. In 2013, CCDC also made significant contributions to the renovation of The River Sculpture by Alison Sky at The

Grove Hotel, the City Hall Plaza art selection, and downtown utility box artistic wraps.

The utility box artistic wraps tradition continues into 2014 with sixteen more utility boxes slated for transformation by local artists. CCDC also plans a new fence treatment at Whittier Elementary, which will denote an augmented entrance to the school's playground off the new Whitewater Park Boulevard and call out the school as an important hub of the West End community. Finally the agency plans a mural for the historic National Bank Building in the downtown core.

As a whole, these art projects support the pedestrian experience, creating a vital climate for downtown businesses, and play a key role in defining the culture of their neighborhoods. Our community's local art sets Boise apart as the unique and memorable urban environment it is.



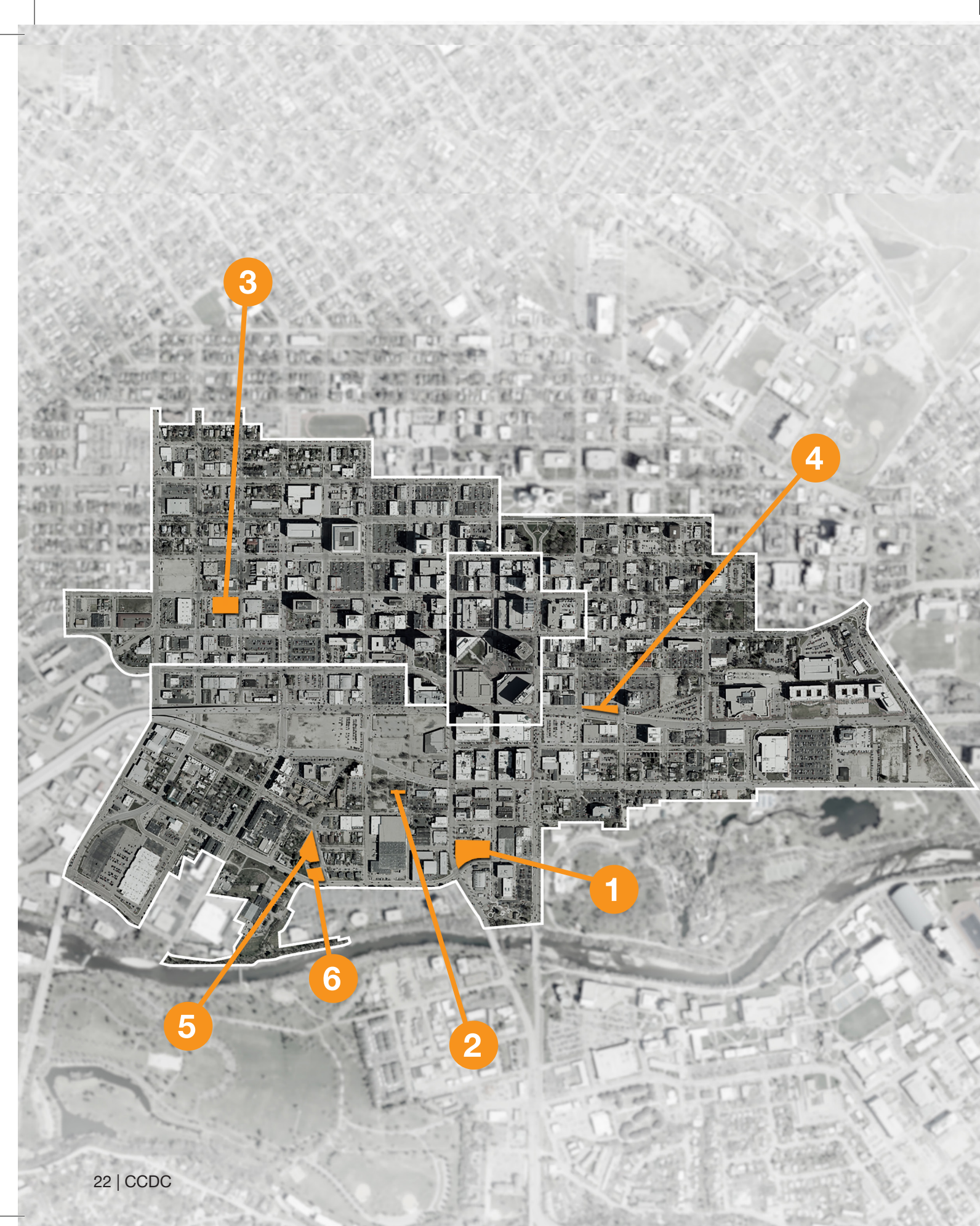
Pedestrians interacting with Bicycle Trio



Mosaic along River Street by Anna Webb



Litharacnium in BoDo by Dennis and Margo Proksa & Modus Architecture



AGENCY PROPERTIES FOR REDEVELOPMENT

Below is a list of properties owned by CCDC, the status of those properties, and the general plans for redevelopment. The list does not include properties the agency owns that have been dedicated as public facilities or open space such as parking garages, the Grove Plaza and the 8th Street café zone.

CCDC obtains properties to achieve redevelopment. Generally, the process will involve a Request for Proposals (RFP) and each one will include specific information about redevelopment objectives for the specific property and how the private sector can participate in the development.

1) 620 SOUTH 9TH/611 S 8TH/ROW (1.206 ACRES)

Acquired in 2001 as a Cultural District redevelopment property, this parcel went through an RFQ/P process in late 2013. It generated six responses from both local and out-of-area developers proposing a variety of redevelopment uses and approaches. These proposals included rent/own housing, hotel, student housing, creative office space, and mixed-use with retail art uses and structured parking. The agency will continue with the RFQ/P process in 2014.

2) 429 SOUTH 10TH (0.08 ACRES)

This land was acquired in 2001 to help bundle property for a private mixed-use development in the River Street neighborhood. It is south of Myrtle Street near the JUMP project and presents an opportunity for future development.

3) 1401/1413 WEST IDAHO (0.37/0.18 ACRES)

This building and adjacent parcel were acquired in 2003 and 2005 for a catalyst project in the Westside district. They are currently leased to house the WaterCooler business incubator comprising 10 private technology businesses in support of local economic development. This is an interim use pending redevelopment of the site.

4) FRONT STREET REMNANT (0.32 ACRES)

Left over from the Front Street realignment, this parcel was acquired in 2007 to combine with adjacent land in a mixed-use development project. The project was put on hold due to the recession and CCDC is now exploring ways to add active uses to the site until such time as it can be used for redevelopment.

5) 503/509/511 S ASH (0.09/0.119/0.158 ACRES)

These small parcels were acquired in 2006, 2007, and 2011 for the Pioneer Corridor pathway project. They are currently used as temporary public open space adjacent to the Pioneer Walkway pending redevelopment. The properties now represent a new opportunity for an infill project.

6) 617 S ASH (0.14 ACRES)

Like the above parcels, this was also acquired in 2011 for the Pioneer Corridor redevelopment project. It includes a 100-year-old house of historical and cultural value to be preserved in the River Street neighborhood. CCDC is collaborating with the City on the plans for this property.