

**URBAN RENEWAL PLAN FOR THE
GATEWAY EAST ECONOMIC DEVELOPMENT DISTRICT PROJECT
AREA**

URBAN RENEWAL AGENCY OF BOISE CITY
(also known as Capital City Development Corporation)

BOISE, IDAHO

Ordinance No. _____

Adopted _____

Effective _____

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100 INTRODUCTION

This is the Urban Renewal Plan (the “Plan”) for the Gateway East Economic Development District Project (the “Project”) in the city of Boise (the “City”), county of Ada, state of Idaho. Attachments 1 through 6 attached hereto (collectively, the “Plan Attachments”) are incorporated herein and shall be considered a part of this Plan.

The term “Project” is used herein to describe the overall activities defined in this Plan and conforms to the statutory definition of an urban renewal project. Reference is specifically made to Idaho Code §§ 50-2018(10) and 50-2903(13) for the various activities contemplated by the term “Project.” Such activities include both private and public development of property within the urban renewal area. The term “Project” is not meant to refer to a specific activity or development scheme. The Gateway East Project Area is also referred to as the “Project Area.”

This Plan was prepared by the Board of Commissioners (the “Agency Board”) of the Urban Renewal Agency of Boise City, also known as Capital City Development Corporation (the “Agency”), its consultants and staff and reviewed and recommended by the Agency pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended (the “Law”), the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), and all applicable local laws and ordinances.

Idaho Code § 50-2905 identifies what information the Plan must include with specificity as follows:

- (1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality;
- (2) A statement listing the kind, number, and location of all proposed public works or improvements within the revenue allocation area;
- (3) An economic feasibility study;
- (4) A detailed list of estimated project costs;
- (5) A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area;
- (6) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred;
- (7) A termination date for the plan and the revenue allocation area as provided for in section 50-2903(20), Idaho Code. In determining the termination date, the plan shall recognize that the agency shall receive allocation of revenues in the calendar

year following the last year of the revenue allocation provision described in the urban renewal plan; and

- (8) A description of the disposition or retention of any assets of the agency upon the termination date. Provided however, nothing herein shall prevent the agency from retaining assets or revenues generated from such assets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

This Plan includes the above information with specificity.

The proposed redevelopment of the Project Area as described in this Plan conforms to Blueprint Boise, the Comprehensive Plan of Boise City (the “Comprehensive Plan”), as may be amended from time to time, and adopted by the Boise City Council (the “City Council”) on November 29, 2011 (Ordinance No. 4298). The Agency intends to rely heavily on the City’s applicable design standards.

This Plan is subject to the Plan modification limitations and reporting requirements set forth in Idaho Code § 50-2903A. Subject to limited exceptions as set forth in Idaho Code § 50-2903A, if this Plan is modified by City Council ordinance, then the base value for the year immediately following the year in which modification occurs shall be reset to the then current year’s equalized assessed value of the taxable property in the revenue allocation area, effectively eliminating the Agency’s revenue stream. Should the Agency have any outstanding financial obligations, the City shall not adopt an ordinance modifying this Plan unless written consent has been obtained by any creditors, including but not limited to lending institutions and developers who have entered into reimbursement agreements with the Agency.

A modification shall not be deemed to occur when “[t]here is a plan amendment to make technical or ministerial changes to a plan that does not involve an increase in the use of revenues allocated to the agency.” Idaho Code § 50-2903A(1)(a)(i). Annual adjustments as more specifically set forth in the Agency’s annual budget will be required to account for more/less estimated revenue and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not modifications under Idaho Code § 50-2903A.

This Plan provides the Agency with powers, duties, and obligations to implement and further the program generally formulated in this Plan for the development, redevelopment, rehabilitation, and revitalization of the area within the boundaries of the Project Area. The Agency retains all powers allowed by the Law and Act. This Plan presents a process and a basic framework within which plan implementation, including contracts, agreements and ancillary documents will be presented and by which tools are provided to the Agency to fashion, develop, and proceed with plan implementation. The Plan has balanced the need for flexibility over the twenty (20)-year timeframe of the Plan to implement the improvements identified in Attachment 5, with the need for specificity as required by Idaho Code § 50-2905. The Plan narrative

addresses the required elements of a plan set forth in Idaho Code § 50-2905(1), (5), (7) and (8). Attachment 5, together with the Plan narrative, meets the specificity requirement for the required plan elements set forth in Idaho Code § 50-2905(2)-(6), recognizing that actual Agency expenditures are prioritized each fiscal year during the required annual budgeting process.

101 General Procedures of the Agency

The Agency is a public body, corporate and politic, as defined and described under the Law and the Act. The Agency is also governed by its bylaws as authorized by the Law and adopted by the Agency. Under the Law, the Agency is governed by the Idaho open meeting law, the Public Records Act and the Ethics in Government Act of 2015, Chapters 1, 2 and 4 of Title 74, Idaho Code; reporting requirements pursuant to Idaho Code §§ 67-450B, 67-450E, 50-2903A and 50-2913; and the competitive bidding requirements under Chapter 28, Title 67, Idaho Code, as well as other procurement or other public improvement delivery methods.

Subject to limited exceptions, the Agency shall conduct all meetings in open session and allow meaningful public input as mandated by the issue considered or by any statutory or regulatory provision.

The Agency may adopt separate policy statements. Any modification to any policy statement is a technical or ministerial adjustment and is not a modification to this Plan under Idaho Code § 50-2903A.

102 Procedures Necessary to Meet State and Local Requirements: Conformance with the Idaho Urban Renewal Law of 1965, as Amended

Idaho law requires that an urban renewal plan be prepared for an area deemed eligible as an urban renewal area by the City Council. A geographic area larger than the Project Area was reviewed and determined to be eligible by Agency Resolution No. 1559 on August 13, 2018. The area was deemed eligible by the City Council by adoption of Resolution No. RES-361-18 on August 28, 2018.

With the adoption of City Council Resolution No. RES-361-18, the City Council found the area to be a deteriorated area and/or a deteriorating area existing in the City as defined by the Law and Act and authorized the preparation of an urban renewal plan.

The Plan was prepared and submitted to the Agency for its review and approval. The Project Area was smaller than the area originally studied. The Agency approved the Plan by the adoption of Agency Resolution No. [1576 on October 24, 2018], and submitted the Plan to the City Council with its recommendation for adoption.

In accordance with the Law, this Plan was submitted to the Planning and Zoning Commission of the City. After consideration of the Plan, the Commission, by resolution, reported to the City Council that this Plan is in conformity with the City's Comprehensive Plan.

Pursuant to the Law and Act, the City Council having published due notice thereof, a public hearing was held on this Plan. Notice of the hearing was published in the *Idaho Statesman*, a newspaper having general circulation in the City. The City Council adopted this Plan on [_____], 2018, by Ordinance No. [_____].

103 History and Current Conditions of the Area

The Project Area includes approximately 2,640 acres of land along Interstate 84 (“I-84”), Eisenman Road, and Gowen Road southeast of the Boise Airport. The area includes the entry to the City for those travelling along I-84 from the southeast. Early developments in the area include construction of the Boise Cut-Off railroad line (from the Union Pacific Mainline) in the early 1900s, the construction of the Boise Airport in its current location beginning in 1936, and the construction of US Highway 30 in the 1930s, which was in turn replaced by I-80 North in the 1970s and then I-84 in 1980.

There are several significant nodes within the Study Area. The majority of the northwest portion of the Study Area borders the Boise Airport. The southwest corner of the Study Area is primarily undeveloped or open land, adjacent to an existing at-grade rail line owned by the City and managed by Watco Companies. The rail line extends into the north end of the Study Area and is frequently adjacent to active industrial properties. Major industrial tenants include FedEx, WinCo and Shopko. The vast majority of the Study Area is zoned Industrial, with some Open Land zoning near the third runway and some Commercial zoning near the intersection of Eisenman and Gowen Roads.

The interest in creating an urban renewal and revenue allocation district for the Project Area is the product of several factors. In 2000, the City purchased approximately 300 acres at the south end of Eisenman Road for the purpose of fostering industrial development. In 2007, the Ada County Highway District (ACHD) adopted the Lake Hazel Extension/Gowen Road Relocation Study as a strategy to extend Lake Hazel Road from Cole Road to the Isaac’s Canyon Interchange at the southeast end of the Project Area. The purpose of this effort, as identified in Communities in Motion, the Regional, Long-Range Transportation Plan adopted by COMPASS, is to establish Lake Hazel Road as a viable, intercounty alternative to I-84 in south Ada and Canyon counties. The Study Area is identified in the 2010 Boise Airport Master Plan as being suitable for airport compatible non-residential uses, and in the 2011 Blueprint Boise Comprehensive Plan as suitable for industrial and airport-related development. The proximity of this large amount of undeveloped land to I-84, the Boise Airport, an underutilized rail line, and the future Lake Hazel extension make it uniquely suited for development as an industrial center in the Treasure Valley.

The establishment of an urban renewal and revenue allocation district for the Project Area is essential to its efficient, equitable and timely development as an industrial center. In spite of its proximity to several transportation assets, the Study Area will require significant public infrastructure investment to foster the desired level of development. Much of the area, particularly west of the railroad, lacks roads and other infrastructure to facilitate development. Additionally, a shallow layer of basalt bedrock will increase the cost of subsurface infrastructure

in the area. It is unlikely that individual developers will take on the prohibitive costs of constructing the necessary infrastructure in the area without the ability of revenue allocation to help offset at least some of these costs.

104 Purpose of Activities

Attachment 5 includes the public improvements list identifying with specificity the proposed public improvements and projects contemplated in the Project Area. The description of activities, public improvements, and the estimated costs of those items are intended to create an outside limit of the Agency's activity. Due to the inherent difficulty in projecting future levy rates, future taxable value, and the future costs of construction, the Agency reserves the right to:

- a. change funding amounts from one Project to another
- b. to re- prioritize the Projects described in this Plan and the Plan Attachments
- c. Retain flexibility in funding the various activities in order to best meet the Plan and the needs of the Project Area.
- d. Retain flexibility in determining whether to use the Agency's funds or funds generated by other sources.
- e. Alter the location of proposed improvements set forth in Attachment 5 to support development when it occurs. The information included in Attachment 5 presents a realistic development scenario recognizing it is difficult to project with any certainty where the improvements will be sited until the future project submits plans to the City for design review and permitting.

The items and amounts are not intended to relate to any one particular development, developer, or owner. Rather, the Agency intends to discuss and negotiate with any owner or developer who seeks Agency assistance. During such negotiation, the Agency will determine, on an individual basis, the eligibility of the activities sought for Agency funding, the amount the Agency may fund by way of percentage or other criteria including the need for such assistance. The Agency will also take into account the amount of revenue allocation proceeds estimated to be generated from the developer's activities. The Agency also reserves the right to establish by way of policy, its funding percentage or participation, which would apply to all developers and owners.

Throughout this Plan, there are references to Agency activities, Agency funding, and the acquisition, development, and contribution of public improvements. Such references do not necessarily constitute a full, final, and formal commitment by the Agency but, rather, grant to the Agency the discretion to participate as stated subject to achieving the objectives of this Plan and provided such activity is deemed eligible under the Law and the Act. The activities listed in Attachment 5 will be determined or prioritized as the overall Project Area develops and through the annual budget setting process.

The activities listed in Attachment 5 are also prioritized by way of importance to the Agency by the amounts funded, and by year of funding, with earlier years reflecting the more important activities, achievement of higher objectives, long term goals, and commitments. The projected timing of funding is primarily a function of the availability of market conditions and

financial resources but is also strategic, considering the timing of private development partnership opportunities and the ability of certain strategic activities to stimulate development at a given points in time within the planned 20-year period of the urban renewal district and revenue allocation area.

The Study (Attachment 5) has described a list of prioritized public improvements and other related activities with an estimated cost in 2019 dollars of approximately \$96,503,000. This amount includes the assumption that Project Costs will escalate by 3% annually to account for increasing construction costs. The Study has concluded the capacity of revenue allocation funds through the term of the Plan based on the assumed development projects and assessed value increases will likely generate an estimated \$177,709,000 (not discounted to present value). The Study has further identified and described a list of unfunded partnerships and improvements in the total amount of \$9,449,000. The Agency reserves the discretion and flexibility to use revenue allocation proceeds in excess of the amounts predicted in the event higher increases in assessed values occur during the term of the Plan for the improvements and activities identified. Additionally, the Agency reserves the discretion and flexibility to use other sources of funds unrelated to revenue allocation to assist in the funding of the improvements and activities identified.

105 Open Land Criteria

This Plan contemplates Agency acquisition of property within the Project Area requiring the area meets the conditions set forth in Idaho Code § 50-2008(d). These conditions include defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, and faulty lot layout, all of which are included in one form or another in the definitions of deteriorated area or deteriorating area set forth in Idaho Code §§ 50-2018(8), (9) and 50-2903(8). The issues listed only in Idaho Code § 50-2008(d)(4)(2) (the open land section) include economic disuse, unsuitable topography, and “the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.”

Open land areas qualify for Agency acquisition and development for primarily nonresidential uses if acquisition is necessary to facilitate the proper growth and development of the Project Area in accordance with City planning objectives if any of the deteriorating area conditions set forth in Idaho Code §§ 50-2018(8), (9) and 50-2903(8) apply. But such areas also qualify if any of the issues listed only in 50-2008(d)(4)(2) apply. The lack of water and sewer facilities, large parcel size, a deficient street system, lack of fire protection facilities, economic disuse, unsuitable topography and environmental issues are all conditions which delay or impair development of the open land or potentially open land areas and satisfy the open land conditions as more fully supported by the Gateway East Urban Renewal Area Eligibility Report, prepared by SB Friedman Development Advisors, dated August 8, 2018.

200 DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area and the Revenue Allocation Area are shown on the Project Area and Revenue Allocation Boundary Map, attached hereto as Attachment 1 and incorporated herein by reference, and are described in the Legal Description of the Project Area and Revenue Allocation Area, attached hereto as Attachment 2 and incorporated herein by reference. For purposes of boundary descriptions and the use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way or other natural boundary unless otherwise stated.

300 PROPOSED REDEVELOPMENT ACTIONS

301 General

The Agency proposes to eliminate and prevent the spread of deteriorating conditions and deterioration in the Project Area by employing a strategy to improve and develop public and private lands, and to grow the economy in the Project Area. Implementation of the strategy includes, but is not limited to the following actions:

- a. The acquisition of real property for public right-of-way and streetscape improvements, utility undergrounding, extension, upgrades, public parks and open space, multi-use trails, public facilities, community and recreation facilities, and to encourage and enhance transportation and mobility options, decrease underutilized parcels, create development opportunities consistent with the Plan, including but not limited to future disposition to qualified developers and for qualified developments;
- b. The demolition or removal of certain buildings and/or improvements for public right-of-way and streetscape improvements, utility undergrounding, extension, upgrades, public parks and open space, multi-use trails, public facilities, community and recreation facilities, and to encourage and enhance transportation and mobility options, decrease underutilized parcels, to eliminate unhealthful, unsanitary, or unsafe conditions, eliminate obsolete or other uses detrimental to the public welfare or otherwise to remove or to prevent the spread of deteriorating or deteriorated conditions;
- c. The participation by property owners in projects within the Project Area to achieve the objectives of this Plan;
- d. The management of any property acquired by and under the ownership and control of the Agency;
- e. The installation, construction, or reconstruction of streets and utilities, including, removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of irrigation and drainage

ditches and laterals; addition of fiber optic lines or other communication systems; and improvement of storm water drainage facilities, parking facilities, and other public improvements, including but not limited to, water and sewer improvements, waterway improvements, floodway and flood zone mitigation, fire protection systems, roadways, curbs, gutters, and streetscapes, which for purposes of this Plan, the term streetscapes includes sidewalks, lighting, landscaping, benches, bike racks, public art and similar amenities between the curb and right-of-way line; and other public improvements, including public or other community and recreation facilities or buildings owned or occupied by the Agency or other public agencies, including the City's walkways, public open spaces that may be deemed appropriate by the Board;

- f. The disposition of real property through a competitive process in accordance with this Plan, Idaho law, including Idaho Code § 50-2011, and any disposition policies adopted by the Agency;
- g. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan;
- h. The rehabilitation and adaptive reuse and repurposing of existing structures and improvements;
- i. The preparation and assembly of adequate sites for the development and construction of facilities for commercial and retail areas, industrial facilities, hotels, school facilities, community and recreation facilities, and governmental use;
- j. To the extent allowed by law, lend or invest federal funds to facilitate redevelopment;
- k. The environmental assessment and remediation of brownfield sites, or sites where environmental conditions detrimental to redevelopment exist;
- l. The construction of storm water management infrastructure to support compliance with federal and local regulations for storm water discharge and to support private development;
- m. In collaboration with property owners and other stakeholders, working with the City to amend zoning regulations (if necessary) and standards and guidelines for the design of streetscape, multi-use pathways, parks and open space, community and recreation facilities, and other like public spaces applicable to the Project Area as needed to support implementation of this Plan;

- n. Agency construction, participation in the construction and/or management of parking facilities that support a desired level and form of development to enhance the vitality of the Project Area;
- o. The enhancement, construction, and possible realignment of streets, multi-use pathways, sidewalks, and related streetscape amenities;
- p. The construction and financial support of infrastructure necessary for the provision of improved transit and mobility systems, including alternative forms of transportation and the Lake Hazel extension connecting portions of the Project Area;
- q. Participation in the enhancement and construction of school facilities;
- r. The provision of financial and other assistance to encourage and attract business enterprise including but not limited to start-ups and microbusiness, mid-sized companies, and large-scale corporations;
- s. In conjunction with the City, the establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project Area, including commitment of funds for planning studies, achieving high standards of development, and leveraging such development to achieve public objectives and efficient use of scarce resources.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and as permitted by the Law and the Act.

302 Urban Renewal Plan Objectives

Urban renewal activity is necessary in the Project Area to combat problems of physical deterioration or deteriorating conditions. As set forth in greater detail in Section 103, the Project Area has a history of stagnant growth and development compared to other areas of the City based on deteriorated or deteriorating conditions that have arrested or impaired growth in the Project Area primarily attributed to: a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, deterioration of site or other improvements; limited public infrastructure and services; substantially vacant retail buildings; and obsolete platting. The Plan for the Project Area is a proposal to work in partnership with public and private entities to improve, develop, and grow the economy within the Project Area by the implementation of a strategy and program set forth in Section 301.

The provisions of this Plan are applicable to all public and private property in the Project Area. The provisions of the Plan shall be interpreted and applied as objectives and goals, recognizing the need for flexibility in interpretation and implementation, while at the same time

not in any way abdicating the rights and privileges of the property owners which are vested in the present and future zoning classifications of the properties. All development under any development agreement shall conform to those standards specified in Section 303 of this Plan.

It is recognized that the Ada County Highway District has exclusive jurisdiction over all public street rights-of-way within the Project Area, except for state highways. Nothing in this Plan shall be construed to alter the powers of the Ada County Highway District pursuant to Title 40, Idaho Code.

This Plan must be practical in order to succeed. Particular attention has been paid to how it can be implemented, given the changing nature of market conditions. Transforming the Project Area into a vital, thriving part of the community and establishing it as a gateway to the City requires an assertive strategy. The following represents the key elements of that effort:

- a. Initiate simultaneous projects designed to revitalize the Project Area. From street and utility improvements to significant new public or private development, the Agency plays a key role in creating the necessary momentum to get and keep things going.
- b. Develop new retail, commercial and industrial opportunities, as well as encourage other economic development opportunities.
- c. Secure and improve certain public open space in critical areas.
- d. Initiate projects designed to increase workforce transportation and mobility options.

Without direct public intervention, the Project Area has and could conceivably remain unchanged and in a deteriorated and/or deteriorating condition for the next twenty (20) years. The Plan creates the necessary flexible framework for the Project Area to support the City's economic development while complying with the "specificity" requirement set forth in Idaho Code § 50-2905.

Land use in the Project Area will be modified to the extent that the existing brownfields, and underutilized, underdeveloped, and vacant land and land now devoted to scattered inconsistent uses will be converted to commercial, including retail and hotels, and industrial uses. In implementing the activities described in this Plan, the Agency shall give due consideration to the provision of adequate park and open space, and community and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of residents in the general vicinity of the site covered by the Plan.

303 Participation Opportunities and Participation Agreements

The Agency may enter into various development participation agreements with any existing or future owner of property, in the event the property owner seeks and/or receives assistance from the Agency in the redevelopment of the property. The term “participation agreement” is intended to include all participation agreements with a property owner, including reimbursement agreements, grant agreements or owner participation agreements. The Agency administers a formal participation program setting forth a transparent policy for Agency participation in redevelopment projects (the “Participation Program”). The Participation Program, as may be amended from time to time, aligns Agency resources with implementation of the Plan to improve, develop and grow the economy in the Project Area, resulting in a participation agreement with the property owner. Collectively, these various participation agreements are referred to as the “Development Agreements.”

Generally, these Development Agreements shall meet the conditions described below:

- Any such property within the Project Area shall be required to conform to all applicable provisions, requirements, and regulations of this Plan. The Development Agreement may require as a condition of financial participation by the Agency a commitment by the property owner to meet the greater objectives of the land use elements identified in the Comprehensive Plan and applicable zoning ordinances and other requirements deemed appropriate and necessary by the Agency. Upon completion of any rehabilitation each structure must be safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition that will continue throughout an estimated useful life for a minimum of twenty (20) years.
- All such buildings or portions of buildings which are to remain within the Project Area shall be rehabilitated or constructed in conformity with all applicable codes and ordinances of the City.
- Any new construction shall also conform to all applicable provisions, requirements, and regulations of this Plan, as well as, to all applicable codes and ordinances of the City.

All Development Agreements will address development timing, justification and eligibility of project costs, and achievement of the objectives of the Plan. The Agency shall retain its discretion in the funding level of its participation. Obligations under Development Agreements shall terminate no later than the termination date of this Plan—December 31, 2038. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any Development Agreement.

In all Development Agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to make the provisions of this Plan applicable to their properties. Whether or not a participant enters into a Development

Agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

In the event a participant under a Development Agreement fails or refuses to rehabilitate, develop, use, and maintain its real property pursuant to this Plan and a Development Agreement, the real property or any interest therein may be acquired by the Agency in accordance with Section 305.1 of this Plan and sold or leased for rehabilitation or development in accordance with this Plan.

Development Agreements may be used to implement the following objectives:

- Encouraging property owners to revitalize and/or remediate deteriorated areas and/or deteriorating areas of their parcels to accelerate development in the Project Area.
- Subject to the limitations of the Law and the Act, providing incentives to property owners to encourage utilization and expansion of existing permitted uses during the transition period to prevent a decline in the employment base and a proliferation of vacant and deteriorated parcels in the Project Area during the extended redevelopment of the Project Area.
- Allowing existing nonconforming uses to continue in accordance with City regulations and to accommodate improvements and expansions allowed by City regulations.
- Subject to the limitations of the Law and Act, providing incentives to improve nonconforming properties so they implement the design guidelines contained in this Plan to the extent possible.
- Provide for advance funding by the developer/owner participant of those certain public improvements related to or needed for the private development. In that event, the Agency will agree as set out in the Development Agreement to reimburse a portion of, or all of, the costs of public improvements identified in the Development Agreement from the revenue allocation generated by the private development. Though no specific advance funding by a developer/owner participant is shown in the cash analysis attachments, this Plan specifically allows for such an advance.

304 Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. All plans for development of property in the Project Area by a public body shall be subject to Agency approval, in the event the Agency is providing any financial assistance.

Subject to applicable authority, the Agency may impose on all public bodies the planning and design controls contained in this Plan to ensure that present uses and any future development by public bodies will conform to the requirements of this Plan; provided, however, the Ada County Highway District has exclusive jurisdiction over Ada County Highway District streets. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements of the Project Area as allowed by the Law and Act.

The Agency intends to cooperate to the extent allowable with the City and ACHD, as the case may be, for the construction of school facilities, public facilities and improvements, including, but not limited to streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, parking, community and recreation facilities, parks and open space, multi-use paths and trails. The Agency shall also cooperate with the City on various relocation, screening, or underground projects and the providing of fiber optic capability. To the extent any public entity, including the City, has funded certain improvements such as water and sewer facilities or storm drainage improvements, the Agency may reimburse those entities for those expenses. The Agency also intends to cooperate and seek available assistance from state, federal and other sources for economic development.

In the event the Agency is participating in the public development by way of financial incentive or otherwise, the public body shall enter into an agreement with the Agency and then shall be bound by the Plan and other land use elements and shall take into consideration those standards specified in Section 303 of this Plan.

This Plan does not financially bind or obligate the Agency to any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any Development Agreement and in the annual budget adopted by the Agency Board.

305 Property Acquisition

305.1 Real Property

Only as specifically authorized herein, the Agency may acquire, through the voluntary measures described below, but is not required to acquire, any real property located in the Project Area where it is determined that the property is needed for construction of public improvements, required to eliminate or mitigate the deteriorated or deteriorating conditions, to facilitate economic development, including acquisition of real property intended for disposition to

qualified developers through a competitive process, and as otherwise allowed by law. The acquisition shall be by any means authorized by law, including, but not limited to, the Law, the Act, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, but shall not include the right to invoke eminent domain authority except as authorized herein. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee, including structures and fixtures upon the real property, without acquiring the land upon which those structures and fixtures are located.

The Agency intends to acquire any real property through voluntary or consensual gift, devise, exchange, or purchase. Such acquisition of property may be for the development of the public improvements identified in this Plan. Such properties may include properties owned by private parties or public entities. This Plan anticipates the Agency's use of its resources for property acquisition.

In the event the Agency identifies certain property which should be acquired to develop certain public improvements intended to be constructed under the provisions of this Plan, the Agency shall coordinate such property acquisition with any other public entity (e.g., without limitation, the City, the state of Idaho, or any of its authorized agencies), including the assistance of the Agency of funds to acquire said property either through a voluntary acquisition or the invocation of eminent domain authority as limited by Idaho Code § 7-701A.

The Agency is authorized by this Plan and Idaho Code §§ 50-2010 and 50-2018(12) to acquire the properties identified in Attachment 3 hereto for the purposes set forth in this Plan. The Agency has identified its intent to acquire and/or participate in the development of certain public improvements, including, but not limited to streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, parking, community and recreation facilities, parks and open space, multi-use paths and trails, school facilities, and other public facilities. Further, the Agency intends to acquire real property to facilitate retail, hotel and other commercial and industrial development by assembling and disposing of developable parcels. The Agency's property acquisition will result in remediating deteriorating conditions in the Project Area by facilitating the development of commercial, which includes retail and hotels, and industrial uses. The public improvements are intended to be dedicated to the City upon completion. The Agency reserves the right to determine which properties identified, if any, should be acquired. The open land areas qualify for Agency acquisition as further set forth in Section 105 of this Plan.

It is in the public interest and is necessary, in order to eliminate the conditions requiring redevelopment and in order to execute this Plan, for the power of eminent domain to be employed by the Agency to acquire real property in the Project Area for the public improvements identified in this Plan, which cannot be acquired by gift, devise, exchange, purchase, or any other lawful method.

305.2 Personal Property

Generally, personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means, including eminent domain for the purpose of developing the public improvements described in section 305.1.

306 Property Management

During the time real property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

307 [RESERVED]

308 Demolition, Clearance and Site Preparation

The Agency is authorized (but not required) to demolish and clear buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Plan.

Further, the Agency is authorized (but not required) to prepare, or cause to be prepared, as building sites any real property in the Project Area owned by the Agency including site preparation. In connection therewith, the Agency may cause, provide for, or undertake the installation or construction of streets, utilities, parks and open space, multi-use paths and trails, parking facilities, drainage facilities, and other public improvements necessary to carry out this Plan.

309 Property Disposition and Development

309.1. Disposition by the Agency

For the purposes of this Plan, the Agency is authorized to sell, lease, lease/purchase, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property under the reuse provisions set forth in Idaho law, including Idaho Code § 50-2011 and pursuant to any disposition policies adopted by the Agency. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale, or transfer without public bidding.

Real property acquired by the Agency may be conveyed by the Agency and, where beneficial to the Project Area, without charge to any public body as allowed by law. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan.

Air rights and subterranean rights may be disposed of for any permitted use within the Project Area boundaries.

309.2 Disposition and Development Agreements

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of deteriorating conditions, all real property sold, leased, or conveyed by the Agency is subject to the provisions of this Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this Plan.

Leases, lease/purchases, deeds, contracts, agreements, and declarations of restrictions of the Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan. Where appropriate, as determined by the Agency, such documents, or portions thereof, shall be recorded in the office of the Recorder of Ada County, Idaho.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation or gender identify/expression in the sale, lease, sublease, transfer, use, occupancy, disability/handicap, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to a Development Agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such nondiscrimination and nonsegregation clauses as required by law.

As required by law or as determined in the Agency's discretion to be in the best interest of the Agency and the public, the following requirements and obligations shall be included in the disposition and development agreement.

That the developers, their successors, and assigns agree:

- a. That a detailed scope and schedule for the proposed development shall be submitted to and agreed upon by the Agency.
- b. That the purchase or lease of the land and/or subterranean rights and/or air rights is for the purpose of redevelopment and not for speculation.
- c. That the building of improvements will be commenced and completed as jointly scheduled and determined by the Agency and the developer(s).
- d. That the site and construction plans will be submitted to the Agency for review as to conformity with the provisions and purposes of this Plan.

- e. All new construction shall have a minimum estimated life of no less than twenty (20) years.
- f. That rehabilitation of any existing structure must assure that the structure is safe and sound in all physical respects and be refurbished and altered to bring the property to an upgraded marketable condition which will continue throughout an estimated useful life for a minimum of twenty (20) years.
- g. That the Agency receives adequate assurance acceptable to the Agency to ensure performance under the contract for sale.
- h. All such buildings or portions of the buildings which are to remain within the Project Area shall be reconstructed in conformity with all applicable codes and ordinances of the City.
- i. All disposition and development documents shall be governed by the provisions of Section 408 of this Plan.
- j. All other requirements and obligations as set forth in the existing Participation Policy.

The Agency also reserves the right to determine the extent of its participation based upon the achievements of the objectives of this Plan. Obligations under any disposition and development agreement and deed covenants, except for covenants which run with the land, beyond the termination date of this Plan, shall terminate no later than December 31, 2038. The Agency shall retain its discretion to negotiate an earlier date to accomplish all obligations under any disposition and development agreement.

309.3. Development by the Agency

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct public improvements within the Project Area for itself or for any public body or entity, which public improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install, or construct the public improvements authorized under Idaho Code Section 50-2007, 50-2018(10) and (13), and 50-2903(9), (13), and (14), and as otherwise identified in Attachment 5 and may acquire or pay for the land required therefore.

Any public facility ultimately owned by the Agency shall be operated and managed in such a manner to preserve the public purpose nature of the facility. Any lease agreement with a private entity or management contract agreement shall include all necessary provisions sufficient to protect the public interest and public purpose.

The Agency may enter into contracts, leases, and agreements with the City or other public body or private entity pursuant to this section, and the obligation of the Agency under

such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to this Plan or out of any other available funds.

310 Development Plans

All development plans (whether public or private) prepared, pursuant to disposition and development agreement or Development Agreements, shall be submitted to the Agency Board for approval and review. All development in the Project Area must conform to those standards specified in Section 408 and all applicable City ordinances.

311 Personal Property Disposition

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property which is acquired by the Agency.

312 Participation with Others

Under the Law, the Agency has the authority to lend or invest funds obtained from the federal government for the purposes of the Law if allowable under federal laws or regulations. The federal funds that may be available to the Agency are governed by regulations promulgated by the Department of Housing and Urban Development for the Community Development Block Grant Program (“CDBG”), the Economic Development Administration, the Small Business Administration, or other federal agencies. In order to enhance such grants, the Agency’s use of revenue allocation funds is critical.

Under those regulations the Agency may participate with the private sector in the development and financing of those private projects that will attain certain federal objectives.

The Agency may, therefore, use the federal funds for the provision of assistance to private for-profit business, including, but not limited to, grants, loans, loan guarantees, interest supplements, technical assistance, and other forms to support, for any other activity necessary or appropriate to carry out an economic development project.

As allowed by law, the Agency may also use funds from any other sources or participate with the private or public sector with regard to any programs administered by the Idaho Department of Commerce for any purpose set forth under the Law or Act.

The Agency may enter into contracts, leases, and agreements with the City, or other public body or private entity, pursuant to this section, and the obligation of the Agency under such contract, lease, or agreement shall constitute an indebtedness of the Agency as described in Idaho Code § 50-2909 which may be made payable out of the taxes levied in the Project Area

and allocated to the Agency under Idaho Code § 50-2908(2)(b) and Section 504 to this Plan or out of any other available funds.

313 Conforming Owners

The Agency may, at the Agency's sole and absolute discretion, determine that certain real property within the Project Area presently meets the requirements of this Plan, and the owner of such property will be permitted to remain as a conforming owner without a participation agreement with the Agency, provided such owner continues to operate, use, and maintain the real property within the requirements of this Plan.

314 Arts and Cultural Funding

The Agency may dedicate resources for the construction or purchase of facilities for the placement and maintenance of public art.

Arts projects may be selected and provided by the Agency, separately from any construction costs of developers. The Agency Board may make selections of the works of art with the advice and assistance of the Boise City Arts Commission and may include review and approval of the City Council. Selected art projects may be an integral part of the public improvement/facility, attached to a structure, detached within or outside of a structure, part of a wayfinding or locational feature, or be stand-alone exhibits in other areas of the Project Area open to the general public.

Whenever possible, any Agency arts funding will be used to leverage additional contributions from developers, other private sources, and public or quasi-public entities for purposes of including public art within the streetscape projects identified in this Plan.

400 USES PERMITTED IN THE PROJECT AREA

401 Designated Land Uses

The Agency intends to rely upon the overall land use designations and zoning classifications of the City, as may be amended, and as tentatively depicted on Attachment 4 and as set forth in the City's Comprehensive Plan and within the Boise City Zoning Code, including the future land use map and zoning classifications, as may be amended. Provided, however, nothing herein within this Plan shall be deemed to be granting any particular right to zoning classification or use.

402 Public Rights-of-Way

The Project Area contains existing maintained public rights-of-way as shown on Attachment 1. Additional public streets, alleys, and easements may be created in the Project Area as needed for proper development, including but not limited to the Lake Hazel extension route and other potential roadways generally shown in Attachment 5. Existing dirt roadways,

streets, alleys, easements, and irrigation or drainage laterals or ditches (if any) may be improved, abandoned, closed, vacated, expanded or modified as necessary for proper development of the Project Area, in accordance with any applicable policies and standards of the Idaho Transportation Department, the City or Ada County Highway District regarding changes to dedicated rights-of-way.

Any development, maintenance and future changes to the existing interior or exterior street layout shall be in accordance with the objectives of this Plan and the standards of Boise City, the Ada County Highway District, or the Idaho Department of Transportation as may be applicable shall be effectuated in the manner prescribed by State and local law; and shall be guided by the following criteria:

- a. A balancing of the needs of proposed and potential new developments for adequate vehicular access, vehicular parking, and delivery loading docks with the similar needs of any existing developments permitted to remain. Such balancing shall take into consideration the rights of existing owners and tenants under the rules for owner and tenant participation adopted by the Agency for the Project and any participation agreements executed thereunder;
- b. The requirements imposed by such factors as topography, traffic safety, and aesthetics;
- c. The potential need to serve not only the Project Area and new or existing developments, but to also serve areas outside the Project Area by providing convenient and efficient vehicular access and movement; and
- d. Street connectivity should be maximized and the design and/or construction of permanent cul-de-sacs and dead-end streets should be minimized to the greatest extent practicable.

The public rights-of-way may be used for vehicular and/or pedestrian traffic, as well as for public improvements, public and private utilities, and activities typically found in public rights-of-way.

403 Other Public, Semi-Public, Institutional, and Nonprofit Uses

The Agency is also authorized to permit the maintenance, establishment, or enlargement of public, semi-public, institutional, or nonprofit uses, including park and community and recreational facilities; educational, fraternal, employee; philanthropic and charitable institutions; utilities; governmental facilities; railroad rights-of-way and equipment; and facilities of other similar associations or organizations. All such uses shall, to the extent possible, conform to the provisions of this Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Project Area.

404 Interim Uses

Pending the ultimate development of land by developers and participants, the Agency is authorized to use or permit the use of any land in the Project Area for interim uses that are not in conformity with the uses permitted in this Plan. However, any interim use must comply with applicable City Code.

405 Development in the Project Area Subject to the Plan

All real property in the Project Area, under the provisions of either a disposition and development agreement or a Development Agreement, is made subject to the controls and requirements of this Plan. No such real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Plan, except in conformance with the provisions of this Plan.

406 Construction Shall Comply with Applicable Federal, State, and Local Laws and Ordinances and Agency Development Standards

All construction in the Project Area shall comply with all applicable state laws, the Boise City Code, as may be amended from time to time, and any applicable City Council ordinances pending codification, including but not limited to, regulations concerning the type, size, density and height of buildings; open space, landscaping, light, air, and privacy; the undergrounding of utilities; limitation or prohibition of development that is incompatible with the surrounding area by reason of appearance, traffic, smoke, glare, noise, odor, or similar factors; parcel subdivision; off-street loading and off-street parking requirements.

In addition to the Boise City Code, ordinances, or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area in the event of a disposition and development agreement or Development Agreement.

407 Minor Variations

Under exceptional circumstances, the Agency is authorized to permit a variation from the limits, restrictions, and controls established by this Plan. In order to permit such variation, the Agency must determine that:

- a. The application of certain provisions of this Plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of this Plan;
- b. There are exceptional circumstances or conditions applicable to the property or to the intended development of the property which do not apply generally to other properties having the same standards, restrictions, and controls;

- c. Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area; and
- d. Permitting a variation will not be contrary to the objectives of this Plan.

No variation shall be granted which changes a basic land use or which permits other than a minor departure from the provisions of this Plan. In permitting any such variation, the Agency shall impose such conditions as are necessary to protect the public peace, health, safety, or welfare and to assure compliance with the purposes of the Plan. Any variation permitted by the Agency hereunder shall not supersede any other approval required under City codes and ordinances.

408 Design for Development

Within the limits, restrictions, and controls established in this Plan, the Agency is authorized to establish heights of buildings, density, land coverage, setback requirements, design criteria, traffic circulation, traffic access, and other development and design controls necessary for proper development of both private and public areas within the Project Area. Any development must also comply with the City's zoning ordinance regarding heights, setbacks, density and other like standards.

In the case of property which is the subject of a disposition and development agreement or a Development Agreement with the Agency, no new improvement shall be constructed, and no existing improvement shall be substantially modified, altered, repaired, or rehabilitated, except in accordance with this Plan. Under those agreements the architectural, landscape, and site plans shall be submitted to the Agency and approved in writing by the Agency. One of the objectives of this Plan is to create an attractive and pleasant environment in the Project Area. Therefore, such plans shall give consideration to good design, open space, and other amenities to enhance the aesthetic quality of the Project Area. The Agency shall not approve any plans that do not comply with this Plan. The Agency reserves the right to impose such design standards on an ad hoc, case by case basis through the approval process of the Development Agreement or disposition and development agreement. Any change to such approved design must be consented to by the Agency and such consent may be conditioned upon reduction of Agency's financial participation towards the Project.

In the event the Agency adopts design standards or controls, those provisions will thereafter apply to each site or portion thereof in the Project Area. Those controls and standards will be implemented through the provisions of any disposition and development agreement or Development Agreement. These controls are in addition to any standards and provisions of any applicable City building or zoning ordinances; provided, however, each and every development shall comply with all applicable City zoning and building ordinance.

409 Nonconforming Uses

The Agency may permit an existing use to remain in an existing building and site usage in good condition, which use does not conform to the provisions of this Plan, provided that such use is generally compatible with existing and proposed developments and uses in the Project Area. The owner of such a property must be willing to enter into a Development Agreement and agree to the imposition of such reasonable restrictions as may be necessary to protect the development and use of the Project Area.

The Agency may authorize additions, alterations, repairs, or other improvements in the Project Area for uses which do not conform to the provisions of this Plan where such improvements are within a portion of the Project Area where, in the determination of the Agency, such improvements would be compatible with surrounding Project uses and development.

All nonconforming uses shall also comply with the City codes and ordinances.

500 METHODS OF FINANCING THE PROJECT

501 General Description of the Proposed Financing Methods

The Agency is authorized to finance this Project with revenue allocation funds, financial assistance from the City (loans, grants, other financial assistance), state of Idaho, federal government or other public entities, interest income, developer advanced funds, donations, loans from private financial institutions (bonds, notes, line of credit), the lease or sale of Agency-owned property, public parking revenue, or any other available source, public or private, including assistance from any taxing district or any public entity.

The Agency is also authorized to obtain advances, lines of credit, borrow funds, and create indebtedness in carrying out this Plan. The Agency may also consider an inter-fund transfer from other urban renewal project areas. The principal and interest on such advances, funds, and indebtedness may be paid from any funds available to the Agency. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

As allowed by law and subject to restrictions as are imposed by law, the Agency is authorized to issue notes or bonds from time to time, if it deems appropriate to do so, in order to finance all or any part of the Project. Neither the members of the Agency nor any persons executing the bonds are liable personally on the bonds by reason of their issuance.

502 Revenue Allocation Financing Provisions

The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, effective retroactively to January 1, 2018. These revenue allocation provisions shall apply to all taxing districts which are located in or overlap the Revenue Allocation Area shown and

described on Attachments 1 and 2 to this Plan. The Agency shall take all actions necessary or convenient to implement these revenue allocation financing provisions. The Agency specifically finds that the equalized assessed valuation of property within the Revenue Allocation Area is likely to increase as a result of the initiation of the Project.

The Agency, acting by one or more resolutions adopted by its Board, is hereby authorized to apply all or any portion of the revenues allocated to the Agency pursuant to the Act to pay as costs are incurred (pay-as-you-go) or to pledge all or any portion of such revenues to the repayment of any moneys borrowed, indebtedness incurred, or notes or bonds issued by the Agency to finance or to refinance the Project Costs (as defined in Idaho Code § 50-2903(14)) of one or more urban renewal projects.

The Agency may consider a note or line of credit issued by a bank or lending institution premised upon revenue allocation funds generated by a substantial private development contemplated by the Study as defined in section 502.1, which would allow the Agency to more quickly fund the public improvements contemplated by this Plan. Likewise, a developer advanced funding could achieve the same purpose.

Upon enactment of a City Council ordinance finally adopting these revenue allocation financing provisions and defining the Revenue Allocation Area described herein as part of the Plan, there shall hereby be created a special fund of the Agency into which the County Treasurer shall deposit allocated revenues as provided in Idaho Code § 50-2908. The Agency shall use such funds solely in accordance with Idaho Code § 50-2909 and solely for the purpose of providing funds to pay the Project Costs, including any incidental costs, of such urban renewal projects as the Agency may determine by resolution or resolutions of its Board.

A statement listing proposed public improvements and facilities, a schedule of improvements, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code § 50-2905 is included in this Plan and in Attachment 5 to this Plan. This statement necessarily incorporates estimates and projections based on the Agency's and consultants' present knowledge and expectations. The Agency is hereby authorized to adjust the presently anticipated urban renewal projects and use of revenue allocation financing of the related Project Costs if the Board deems such adjustment necessary or convenient to effectuate the general objectives of the Plan in order to account for revenue inconsistencies and unknown future costs. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in the annual budget.

Revenues will continue to be allocated to the Agency until termination of the revenue allocation area as set forth in Section 800. Attachment 5 incorporates estimates and projections based on the Agency's present knowledge and expectations concerning the length of time to complete the improvements and estimated future revenues. The activity may take longer depending on the significance and timeliness of development. Alternatively, the activity may be completed earlier if revenue allocation proceeds are greater or the Agency obtains additional funds.

502.1 Economic Feasibility Study

Attachment 5 constitutes the Economic Feasibility Study (“Study”) for the urban renewal area prepared by SB Friedman Development Advisors. The Study constitutes the financial analysis required by the Act and is based upon existing information from property owners, developers, the Agency, City and others.

502.2 Assumptions and Conditions/Economic Feasibility Statement

The information contained in Attachment 5 assumes certain completed and projected actions. All debt is projected to be repaid no later than the duration period of the Plan. The total amount of bonded indebtedness (and all other loans or indebtedness) and the amount of revenue generated by revenue allocation are dependent upon the extent and timing of private development. Should all of the development take place as projected, the project indebtedness could be extinguished earlier, dependent upon the bond sale documents or other legal obligations. Should private development take longer to materialize, or should the private development be substantially less than projected, then the amount of revenue generated will be substantially reduced and debt may continue for its full term.

The Plan and the Plan Attachments incorporate estimates and projections based on the Agency’s and consultants’ present knowledge and expectations. The Plan proposes certain public improvements as set forth in Attachment 5, which will facilitate development in the Revenue Allocation Area. The Study assumes the City will contribute and dedicate City-owned land for right-of-way improvements at no cost to support construction of the public improvements listed in this Plan. Further, the Study assumes Suez Water will contribute 50% of the cost for certain water facility upgrades.

The assumptions set forth in the Study are based upon the best information available to the Agency and consultants through public sources or discussions with property owners, developers, and others. The information has been analyzed by the Agency and its consultants in order to provide an analysis that meets the requirements set forth under the Law and Act. At the point in time when the Agency may seek a loan from lenders or others, a more detailed and then-current financial pro forma will be presented to those lenders or underwriters for analysis to determine the borrowing capacity of the Agency. As set forth herein, the Agency reserves the right to fund the Project on a “pay as you go” basis. The Agency Board will prioritize the activities set forth in this Plan and determine what funds are available and what activities can be funded. The Agency will establish those priorities through its mandated annual budgetary process.

The assumptions concerning revenue allocation proceeds are based upon certain assessed value increases and assumed levy rates as more specifically set forth in Attachment 5.

The types of new construction expected in the Project Area are: industrial, commercial and retail areas, hotels, school facilities, other public facilities and improvements, including, but

not limited to streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, parking, community and recreation facilities, parks and open space improvements, multi-use paths and trails. The Project Area has potential for a significant increase in industrial, commercial, and retail growth due to the location of the Project Area. However, without a method to construct the identified public improvements development is unlikely to occur in much of the Project Area.

502.3 Ten Percent Limitation

Under the Act, the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed taxable value for the entire City. According to the Ada County Assessor, the assessed taxable value¹ for the City as of January 1, 2017², less homeowner's exemptions is \$24,633,696,412; therefore, the 10% limit is \$2,463,369,641.20.

The adjusted base assessed value of each of the existing or proposed revenue allocation areas as of January 1, 2017, is as follows:

River-Myrtle Old Boise ³	\$345,774,300
30th Street ⁴	\$95,205,600
Westside District	\$296,533,700
Shoreline District Project Area ⁵	\$108,022,900
Gateway East District Project Area	\$303,702,000

The adjusted base values for the combined revenue allocation areas total \$1,149,238,500, which is less than 10% of the City's 2017 taxable value.

502.4 Financial Limitation

The Study identifies several capital improvement projects. Use of any particular financing source for any particular purpose is not assured or identified. Use of the funding source shall be conditioned on any limitations set forth in the Law, the Act, by contract, or by other federal regulations. If revenue allocation funds are unavailable, then the Agency will need to use a different funding source for that improvement.

¹ Includes taxable real and personal property; excludes operating property.

² Due to the timing of the assessment process and creation of this Plan, the 2017 values have been used to establish compliance with the 10% limitation. Using the 2017 values, the total adjusted base value of the existing and proposed revenue allocation areas combined with the value of this Project Area are less than 4.7% of the total taxable value of the City. Even assuming an increase in values for 2018, the combined adjusted base values of the revenue allocation areas would not exceed 10% of the current assessed taxable value for the entire City.

³ Less area deannexed by the First Amendment to the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project, and Renamed River Myrtle – Old Boise Urban Renewal Project, adopted by City Council Ordinance No. 24-18 on July 24, 2018, and effective upon publication on August 8, 2018.

⁴ Less area deannexed by the First Amendment to the Urban Renewal Plan 30th Street Area Urban Renewal Project, adopted by City Council Ordinance No. 26-18 on July 24, 2018, and effective upon publication on August 8, 2018.

⁵ The proposed Shoreline District Project Area is expected to be considered by the Agency and City Council by year-end.

The amount of funds available to the Agency from revenue allocation financing is directly related to the assessed value of new improvements within the Revenue Allocation Area. Under the Act, the Agency is allowed the revenue allocation generated from inflationary increases and new development value. Increases have been assumed based upon the projected value of new development as that development occurs along with possible land reassessment based on a construction start.

The Study, with the various estimates and projections, constitutes an economic feasibility study. Costs and revenues are analyzed, and the analysis shows the need for public capital funds during the project. Multiple financing sources including proposed revenue allocation notes, annual revenue allocations, developer contributions, city contributions, interfund loan, property disposition, and other funds are shown. This Study identifies the kind, number, and location of all proposed public works or improvements, a detailed list of estimated project costs, a description of the methods of financing illustrating project costs, and the time when related costs or monetary obligations are to be incurred. See Idaho Code § 50-2905. Based on these funding sources, the conclusion is that the project is feasible.

The Study has further identified and described a list of “unfunded” improvements in the total amount of \$9,449,000. The Agency reserves the discretion and flexibility to use revenue allocation proceeds in excess of the amounts projected in the Study for the purpose of funding the additional identified projects and improvements. The projections in the Study are based on reasonable assumptions and existing market conditions. However, should the Project Area result in greater than anticipated revenues, the Agency specifically reserves the ability to fund the additional activities and projects identified on the unfunded improvement list. Further, the Agency reserves the discretion and flexibility to use other sources of funds unrelated to revenue allocation to assist in the funding of the improvements and activities identified, including but not limited to Development Agreements and disposition and development agreements. The Agency may also, re-prioritize projects and the location of those projects pursuant to market conditions, project timing, funding availability, etc. as more specifically detailed in the annual budget.

The proposed timing for the public improvements may very well have to be adjusted depending upon the availability of some of the funds and the Agency’s ability to finance any portion of the Project. **Any adjustment to Project timing or funding is technical or ministerial in nature and shall not be considered a modification of the Plan pursuant to Idaho Code § 50-2903A.**

Attachment 5 lists those public improvements the Agency intends to construct through the term of the Plan. The costs of improvements are estimates only as it is impossible to know with any certainty what the costs of improvements will be in future years. There is general recognition that construction costs fluctuate and are impacted by future unknowns, such as, the cost of materials and laborers. Final costs will be determined by way of construction contract public bidding or by an agreement between the developer/owner and Agency. The listing of public improvements does not commit the Agency to any particular level of funding; rather, identification of the activity in the Plan allows the Agency to negotiate the terms of any reimbursement with the developer. This Plan does not financially bind or obligate the Agency to

any project or property acquisition; rather, for purposes of determining the economic feasibility of the Plan certain projects and expenditures have been estimated and included in the analysis. Agency revenue and the ability to fund reimbursement of eligible Project Costs is more specifically detailed in any participation agreement and in the annual budget adopted by the Agency Board. The proposed location and siting of roads and utilities in the Project Area is generally shown in Attachment 5 recognizing that the specific location of roads and utilities will depend on the type and timing of development. The change in location of the location of the improvements shown on Attachment 5 does not constitute a modification to the Plan.

The Agency reserves its discretion and flexibility in deciding which improvements are more critical for development, and the Agency intends to coordinate its public improvements with associated development by private developers/owners. The Agency also intends to coordinate its participation in the public improvements with the receipt of certain grants or loans which may require the Agency's participation in some combination with the grant and loan funding.

Generally, the Agency expects to develop those improvements identified in Attachment 5 first, in conjunction with private development within the Project Area generating the increment as identified in Attachment 5.

The Plan has shown that the equalized valuation of the Revenue Allocation Area as defined in the Plan is likely to increase as a result of the initiation and completion of urban renewal projects pursuant to the Plan.

502.5 Participation with Local Improvement Districts and Business Improvement Districts

Under the Idaho Local Improvement District Code, Chapter 17, Title 50, Idaho Code, the City has the authority to establish local improvement districts for various public facilities, including, but not limited to, streets, curbs, gutters, sidewalks, storm drains, landscaping, and other like facilities. To the extent allowed by the Law and the Act, the Agency reserves the authority, but not the obligation, to participate in the funding of local improvement district facilities. This participation may include either direct funding to reduce the overall cost of the LID or to participate as an assessed entity to finance the LID project. Similarly, to the extent allowed by the Law and the Act, the Agency reserves the authority, but not the obligation, to participate in the funding of the purposes specified under the Business Improvement Districts, Chapter 26, Title 50, Idaho Code.

502.6 Issuance of Debt and Debt Limitation

Any debt incurred by the Agency as allowed by the Law and Act shall be secured by revenues identified in the debt resolution or revenue allocation funds as allowed by the Act. All such debt shall be repaid within the duration of this Plan, except as may be authorized by law.

502.7 Impact on Other Taxing Districts and Levy Rate

An estimate of the overall impact of the revenue allocation project on each taxing district is shown in the Study through the new development projections.

The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality, with periodic adjustments allowed by Idaho law. The increment value is the difference between the adjusted base assessed value and current assessed taxable value in any given year while the property is in a revenue allocation area. Under Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis.⁶ Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code § 63-802. Therefore, with the exception of the Boise School District, the impact of revenue allocation is more of a product of the imposition of Idaho Code § 63-802, than the effect of urban renewal.

The County Board of Commissioners calculates the levy rate required to produce the proposed budget amount for each taxing entity using the assessed values which are subject to each taxing entity's levy rate. Assessed values in urban renewal districts which are subject to revenue allocation (incremental values) are not included in this calculation. The combined levy rate for the taxing entities is applied to the incremental property values in a revenue allocation area to determine the amount of property tax revenue which is allocated to an urban renewal agency. The property taxes generated by the base values in the urban renewal districts and by properties outside revenue allocation areas are distributed to the other taxing entities. Properties in revenue allocation areas are subject to the same levy rate as they would be outside a revenue allocation area. The difference is how the revenue is distributed. If the overall levy rate is less than assumed, the Agency will receive fewer funds from revenue allocation.

In addition, without the Revenue Allocation Area and its ability to pay for public improvements and public facilities, fewer substantial improvements within the Revenue Allocation Area would be expected during the term of the Plan; hence, there would be lower increases in assessed valuation to be used by the other taxing entities.

One result of new construction occurring outside the revenue allocation area (Idaho Code §§ 63-802 and 63-301A) is the likely reduction of the levy rate as assessed values increase for property within each taxing entity's jurisdiction. From and after December 31, 2006, Idaho Code § 63-301A prohibits taxing entities from including, as part of the new construction roll, the increased value related to new construction within a revenue allocation area until the revenue allocation authority is terminated. Any new construction within the Project Area is not available for inclusion by the taxing entities to increase their budgets. Upon termination of this Plan or deannexation of area, the taxing entities will be able to include the accumulated new construction roll value in setting the following year's budget and revenue from such value is not limited to the three percent increase allowed in Idaho Code § 63-802(1)(a).

⁶ Recognizing the Boise School District's tort levy is the only levy constrained in this manner.

As 2018 certified levy rates are not determined until late September 2018, the 2017 certified levy rates have been used in the Study for purposes of the analysis.⁷ Those taxing districts and rates are as follows:

Taxing District Levies⁸:

Ada County	.002953537
Ada County Highway District	.000923828
Boise City	.006887256
School District No. 1	.003958860
Ada county Emergency Medical	.000146049
Mosquito Abatement District	.000028307
College of Western Idaho	.000153551
TOTAL:	.015051388

The Study has made certain assumptions concerning the levy rate. The levy rate is estimated to stay level for the life of the revenue allocation area. Additionally, the Study assumes an inflation rate of 2.5% over the life of the Project Area. If the overall levy rate is less than projected, or the land values do not increase as expected, or expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation.

Pursuant to Idaho Code § 50-2908, the Agency is not entitled to revenue allocation proceeds from certain levy increases which are allowed by either specific statutory authorization or approved by an election of the qualified electors of the particular taxing district. Therefore, for any levy election, the Agency will not receive revenue allocation funds which would have been generated by imposing that levy on the assessed valuation within the Project Area. The Study has taken this statute into account.

503 Lease Revenue, Parking Revenue, and Bonds

Under the Law (Idaho Code § 50-2012), the Agency is authorized to issue revenue bonds to finance certain public improvements identified in the Plan. Under that type of financing, the public entity would pay the Agency a lease payment annually which provides certain funds to the Agency to retire the bond debt. Another variation of this type of financing is sometimes referred to as conduit financing, which provides a mechanism where the Agency uses its bonding authority for the Project, with the end user making payments to the Agency to retire the bond debt. These sources of revenues are not related to revenue allocation funds and are not particularly noted in the Study, because of the “pass through” aspects of the financing. Under the Act, the economic feasibility study focuses on the revenue allocation aspects of the Agency’s financial model.

⁷ Due to the timing of the taxing districts’ budget and levy setting process, certification of the 2018 levy rates did not occur until this Plan had been prepared and was in the process of being considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2017 levy rates are used. Use of the 2017 levy rates provides a more accurate base than estimating the 2018 levy rates.

⁸ Greater Boise Auditorium District is identified as a taxing district but does not levy property taxes.

These financing models typically are for a longer period of time than the 20-year period set forth in the Act. However, these financing models do not involve revenue allocation funds, but rather funds from the end users which provide a funding source for the Agency to continue to own and operate the facility beyond the term of the Plan as allowed by Idaho Code § 50-2905(8) as those resources involve funds not related to revenue allocation funds.

504 Membership Dues and Support of Community Economic Development

The Act is premised upon economic development being a valid public purpose. To the extent allowed by the Law and the Act, the Agency reserves the authority to use revenue allocation funds to contract with non-profit and charitable organizations established for the purpose of supporting economic development and job creation. Additionally, the Agency reserves the authority to expend revenue allocation funds to join, participate and support non-profit organizations established to support Agency best practices and administration. The Annual Program Operations identified in the Study shall be deemed to include expenditures for the purposes described in this section as may be deemed appropriate during the annual budgetary process.

600 ACTIONS BY THE CITY

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing deterioration. Actions by the City shall include, but not be limited to, the following:

- a. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned public utilities within or affecting the Project Area.
- b. Revision of zoning (if necessary) within the Project Area to permit the land uses and development authorized by this Plan.
- c. Imposition wherever necessary of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.
- d. Provision for administrative enforcement of this Plan by the City after development. The City and the Agency may develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of this Plan.
- e. Building Code enforcement.
- f. Performance of the above actions and of all other functions and services relating to public peace, health, safety, and physical development normally rendered in

accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.

- g. The undertaking and completing of any other proceedings necessary to carry out the Project.
- h. Administration of Community Development Block Grant funds that may be made available for this Project.
- i. Appropriate agreements with the Agency for administration, supporting services, funding sources, and the like.
- j. Use of public entity labor, services, and materials for construction of the public improvements listed in this Plan.
- k. Transfer of real property or improvements upon Agency request.
- l. Coordination of the development agreements entered into by the City and developer with the goals of the Plan.
- m. Assist with coordinating and implementing the public improvements in the Project Area identified in the Study.
- n. Contribute land for right-of-way improvements at no cost to support construction of the public improvements listed in this Plan.

The foregoing actions to be taken by the City do not constitute any commitment for financial outlays by the City.

601 Maintenance of Public Improvements

The Agency has not identified any commitment or obligation for long-term maintenance of the public improvements identified. The Agency will need to address this issue with the appropriate entity, public or private, who has benefited from or is involved in the ongoing preservation of the public improvement. The Agency expects to dedicate public improvements to the City.

700 ENFORCEMENT

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

800 DURATION OF THIS PLAN, TERMINATION, AND ASSET REVIEW

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan, shall be effective for twenty (20) years from the effective date of the Plan subject to modifications and/or extensions set forth in Idaho Code §§ 50-2904 and 50-2905(7). The revenue allocation authority will expire on December 31, 2038, except for any revenue allocation proceeds received in calendar year 2039, as contemplated by Idaho Code § 50-2905(7). The Agency may use proceeds in 2039 to complete the projects set forth herein. As stated in the Plan, any Development Agreement or disposition and development agreement obligations will cease as of December 31, 2038.

Idaho Code § 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. In order to provide sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2039, or if the Agency determines an earlier terminate date, then by May 1 of the early termination year:

- a. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Idaho Code § 50-2908 shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the urban renewal agency under Idaho Code § 50-2909 shall thereupon terminate.
- b. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the Plan.
- c. For the fiscal year that immediately predates the termination date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the Revenue Allocation Area can be terminated before January 1 of the termination year pursuant to the terms of Idaho Code § 50-2909(4). In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated

expenses for the current year and all future years, by May 1, but in any event, no later than September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the Revenue Allocation Area by December 31 of the current year, and declaring a surplus to be distributed as described in Idaho Code § 50-2909 should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Idaho Code § 63-215.

Upon termination of the revenue allocation authority of the Plan to the extent the Agency owns or possesses any assets, the Agency shall dispose of any remaining assets by granting or conveying or dedicating such assets to the City.

As allowed by Idaho Code § 50-2905(8), the Agency may retain assets or revenues generated from such assets as loans; the Agency shall have resources other than revenue allocation funds to operate and manage such assets. Similarly, facilities which provide a least income stream to the Agency for full retirement of the facility debt will allow the Agency to meet debt services obligations and provide for the continued operation and management of the facility.

For those assets which do not provide such resources or revenues, the Agency will likely convey such assets to the City, depending on the nature of the asset.

900 PROCEDURE FOR AMENDMENT OR MODIFICATION

To the extent there is any outstanding loans or obligations, this Plan shall not be modified pursuant to the provisions set forth in Idaho Code § 50-2903A. Modification of this Plan results in a reset of the base assessment roll values to the current values in the year following the modification year as more fully set forth in Idaho Code § 50-2903A subject to certain limited exceptions contained therein. As more specifically identified above, the Agency's projections are based on estimated values, estimated levy rates, estimated future development, and estimated costs of future construction/improvements. Annual adjustments as more specifically set forth in the Agency's annual budget will be required to account for more/less estimated revenue and prioritization of projects. Any adjustments for these stated purposes are technical and ministerial and are not deemed a modification under Idaho Code § 50-2903A.

1000 SEVERABILITY

If any one or more of the provisions contained in this Plan to be performed on the part of the Agency shall be declared by any court of competent jurisdiction to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions in this Plan and shall in no way affect the validity of the other provisions of this Plan.

1100 ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS

Under the Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency's activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income, and operating expenses as of the end of such calendar year. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

Additionally, the Agency must comply with certain other reporting requirements as set forth in Idaho Code § 67-450E, the local government registry portal, Idaho Code § 50-2913, the tax commission plan repository, and Idaho Code § 50-2903A, the tax commission's plan modification annual attestation. Failure to report the information requested under any of these statutes results in significant penalties, including loss of increment revenue, and the imposition of other compliance measures by the Ada County Board of County Commissioners.

1200 APPENDICES, ATTACHMENTS, EXHIBITS, TABLES

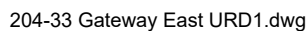
All attachments and tables referenced in this Plan are attached and incorporated herein by their reference. All other documents referenced in this Plan but not attached are incorporated by their reference as if set forth fully.

Attachment 1

Project Area and Revenue Allocation Area Boundary Map

0 2500 5000

1" = 2500'



Attachment 2

Legal Description of Project Area and Revenue Allocation Area

An area consisting of approximately 2,640 acres as more particularly described as follows:

October 12, 2018

EXHIBIT A
PROJECT AREA AND REVENUE ALLOCATION BOUNDARY OF THE
GATEWAY EAST URBAN RENEWAL PROJECT
BOISE, IDAHO

A tract of land being portions of Sections 26, 27, 34, 35, and 36, Township 3 North, Range 2 East, B.M. and portions of Sections 1, 2, 11 12 and 13 of Township 2 North, Range 2 East, B.M. and portions of Sections 6, 7 and 18 of Township 2 North, Range 3 East, B.M., City of Boise, Ada County, Idaho. Said tract is more particularly described as follows:

Commencing at the section corner common to Sections 22, 23, 26, and 27, Township 3 North, Rand 2 East, B.M. located on South Broadway Avenue. Thence South 00° 37' 42" West 2664.50 feet along the section line common to said Sections 26 and 27 to the ¼ corner shared by said Section 26 and 27, thence leaving section line South 83° 29' 17" West 765.19 feet a point being the intersection of the Northerly Right-Of-Way of Interstate Highway 84 (I-84) and said Westerly Right-Of-Way of South Broadway Avenue, being the **POINT OF BEGINNING**, thence leaving said intersection

South 61° 32' 04" East 348.93 feet to a point on the Northeasterly Right-Of-Way line of the Interstate 84 westbound offramp to Broadway Avenue, thence following said Northeasterly Right-Of-Way the following 19 courses:

South 30° 12' 09" East 329.98 feet, thence
South 40° 28' 37" East 274.59 feet, thence
South 52° 17' 45" East 152.20 feet, thence
South 52° 06' 42" East 255.11 feet, thence
South 55° 00' 45" East 660.64 feet, thence
South 49° 33' 27" East 391.56 feet to the intersection with the Northerly Right-Of-Way line of the Union Pacific Railroad Gowen Spur, thence

South 48° 19' 41" East 77.65 feet to the intersection with the Southerly Right-Of-Way line of said Railroad, thence continuing along said Northerly Right-Of Way of I-84

South 44° 17' 50" East 342.22 feet, thence

South 45° 41' 01" East 4886.67 feet to the intersection with the East-West mid-section line of Section 35, Township 3 North, Range 2 East, B.M., thence along said East-West mid-section line

South 89° 46' 13" East 460.80 feet intersection with the Westerly Right-Of-Way line of Apple Street, thence along the South end of said Apple Street, thence South 89° 23' 49" East 30.05 feet to the East 1/4 corner of said Section 35, thence South 00° 02' 05" West 471.79 feet along the East line of said Section 35, thence leaving said East line

South 45° 41' 01" East 2641.27 feet, thence

South 55° 46' 51" East 142.70 feet, thence

South 44° 15' 47" East 429.11 feet, thence

South 43° 06' 05" East 220.26 feet, thence

South 30° 48' 09" East 57.12 feet, thence

South 34° 13' 35" East 100.01 feet, thence

South 41° 17' 43" East 144.71 feet, thence leaving said Northeasterly Right-Of-Way of I-84

North 73° 56' 48" East 1386.91 feet to the Southwesterly right-of-way of South Federal Way, thence crossing Federal Way

North 70° 34' 23" East 100.00 feet to the Northeasterly Right-Of-Way of South Federal Way, thence following said Northeasterly Right-Of-Way

South 19° 26' 31" East 332.97 feet, thence

North 70° 35' 22" East 9.45 feet, thence

318.33 feet along a curve to the left, said curve having a radius of 1085.92 feet, a delta angle of 16° 47' 45" and a chord bearing and distance of South 27° 48' 35" East 317.19 feet, thence

South 36° 12' 28" East 323.80 feet, thence

32.96 feet along a curve to the left, said curve having a radius of 30.00 feet, a delta angle of 62° 57' 21" and a chord bearing and distance of South 64° 58' 55" East 31.33 feet to a point on the Northerly Right-Of-Way of East Lake Forest Drive, thence

South 42° 50' 36" East 86.24 feet to a point on the Southerly Right-Of-Way of East Lake Forest Drive, thence continuing along said Northerly Right-Of-Way line of South Federal Way

South 36° 12' 41" East 82.30 feet, thence

410.86 feet along a curve to the right, said curve having a radius of 985.52 feet, a delta angle of 23° 53' 12" and a chord bearing and distance of South 24° 16' 04" East 407.89 feet, thence

South 12° 19' 29" East 381.95 feet to a point on the Northerly Right-Of-Way line of East Gowen Road, thence

South 07° 36' 31" West 251.20 feet to a point on the Southerly Right-Of-Way line of East Gowen Road, thence continuing along said Northerly Right-Of-Way line of South Federal Way

South 05° 52' 01" West 174.07 feet, thence

135.68 feet along a curve to the left, said curve having a radius of 1065.92 feet, a delta angle of 07° 17' 36" and a chord bearing and distance of South 15° 59' 31" East 135.59 feet, thence

North 89° 48' 58" West 11.04 feet, thence

South 17° 50' 53" East 419.91 feet, thence

North 89° 39' 53" West 25.34 feet, thence

South 17° 50' 33" East 7454.32 feet, thence leaving said Northerly Right-Of-Way of South Federal Way

South 72° 08' 06" West 99.91 feet to the Southerly Right-Of-Way of said South Federal Way, said point being on the Boise City Limits boundary line, thence following said Boise City Limits boundary line the following 9 courses:

North 89° 03' 01" West 368.02 feet, thence

South 00° 21' 34" West 55.89 feet, thence

North 88° 36' 40" West 462.98 feet, thence

South 00° 07' 35" West 2196.38 feet, thence

South 89° 57' 05" East 661.50 feet, thence

South 17° 58' 23" East 585.37 feet, thence

South 09° 48' 44" East 295.96 feet, thence

South 01° 59' 00" West 482.25 feet, thence

North 89° 40' 08" West 878.64 feet to the Southeast corner of Tax Parcel S1618234875, thence leaving said Boise City Limits boundary line and following the East, North and West property line of said Parcel the following 3 courses:

North 00° 07' 48" East 330.31 feet, thence

North 89° 39' 10" West 660.26 feet, thence

South 00° 05' 13" West 330.00 feet to a point on said Boise City Limits boundary line, thence following said boundary line the following 4 courses:

North 89° 43' 37" West 577.01 feet, thence

North 00° 53' 50" East 99.33 feet, thence

North 89° 57' 13" West 2621.56 feet to the Center of Section 13, Township 2 North, Range 2 East, B.M., thence along the North-South centerline of said Section 13 North 01° 11' 19" East 2586.63 feet to the North ¼ corner of said Section 13, thence leaving said Boise City Limits boundary line

North 88° 34' 49" West 27.05 feet to the West Right-Of-Way line of South Warehouse Way, thence along said West Right-Of-Way line the following 2 courses:

North 00° 27' 17" East 1353.50 feet, thence

208.63 feet along a curve to the right, said curve having a radius of 554.00 feet, a delta angle of 21° 34' 38" and a chord bearing and distance of North 09° 00' 26" East 207.40 feet to a point on said Boise City Limits boundary line, thence along said boundary line the following 11 courses:

North 00° 35' 39" East 1150.09 feet, thence
South 89° 53' 01" West 90.36 feet, thence

496.11 feet along a curve to the left, said curve having a radius of 3969.78 feet, a delta angle of 07° 09' 37" and a chord bearing and distance of North 01° 56' 49" West 495.79 feet, thence

North 05° 29' 26" West 831.95 feet, thence
South 89° 56' 54" East 50.24 feet, thence
North 05° 28' 32" West 898.90 feet, thence
North 07° 25' 46" West 248.04 feet, thence

188.51 feet along a curve to the left, said curve having a radius of 2009.62 feet, a delta angle of 05° 22' 28" and a chord bearing and distance of North 12° 46' 19" West 188.44 feet, thence

North 89° 45' 18" West 1000.41 feet, thence
South 01° 00' 28" West 1324.05 feet, thence
North 89° 57' 41" West 2601.00 feet to the Southwest corner of the Northeast ¼ of the Northeast ¼ of Section 11, Township 2 North, Range 2 East, B.M., thence leaving said Boise City Limits boundary line

North 89° 45' 33" West 1323.48 feet, thence
North 00° 43' 34" East 1339.23 feet to the North ¼ Corner of said Section 11, thence

North 89° 37' 29" West 24.25 feet to the South ¼ Corner of Section 2, Township 2 North, Range 2 East, B.M., thence

North 00° 08' 46" East 2648.04 feet, thence

North 64° 37' 46" West 2923.72 feet, thence

North 00° 03' 04" West 1447.46 feet to the Northwest Section corner of said Section 2, thence

North 89° 29' 53" West 24.59 feet to the West Right-Of-Way line of South Broadway Avenue, thence along said West Right-Of-Way line

North 00° 12' 27" East 531.02 feet to the Southerly Right-Of-Way line of West Gowen Road, thence along said Southerly Right-Of-Way line

North 76° 12' 16" West 141.80 feet, thence leaving said Southerly Right-Of-Way line

North 13° 47' 44" East 160.01 feet to a point on the Northerly Right-Of-Way line of West Gowen Road, thence

North 13° 54' 10" East 530.54 feet to a point on the Section line common to Sections 34 and 35, Township 3 North, Range 2 East. B.M., thence

North 00° 14' 15" East 1424.50 feet the ¼ corner common to said Sections 34 and 35, thence continuing on said Section line

North 00° 14' 08" East 1737.47 feet, thence

North 73° 13' 21" West 13.86 feet to a point on the Easterly Right-Of-Way line of South Production Street, thence

North 73° 02' 11" West 70.00 feet to a point on the Westerly Right-Of-Way line of South Production Street, thence along said Westerly Right-Of-Way line the following 4 courses:

North 16° 55' 30" East 317.01 feet, thence

South 73° 30' 17" East 9.30 feet, thence

North 00° 04' 04" West 422.88 feet, thence

81.49 feet along a curve to the left, said curve having a radius of 52.25 feet, a delta angle of 89° 21' 48" and a chord bearing and distance of North 44° 44' 58" West 73.48 feet to a point on the South Right-Of-Way line of West Amity Road, thence along said South Right-Of-Way line

North 89° 25' 52" West 1236.93 feet, thence

194.36 feet along a curve to the right, said curve having a radius of 124.74 feet, a delta angle of $89^{\circ} 16' 17''$ and a chord bearing and distance of North $44^{\circ} 47' 43''$ West 175.28 feet to a point on the West Right-Of-Way line of South Enterprise Street, thence along said West Right-Of-Way line of South Enterprise Street

North $00^{\circ} 09' 35''$ West 1221.08 feet, thence

62.84 feet along a curve to the left, said curve having a radius of 40.00 feet, a delta angle of $90^{\circ} 00' 33''$ and a chord bearing and distance of North $44^{\circ} 17' 01''$ West 56.57 feet to a point on the South Right-Of-Way line of West Commerce Avenue, thence

North $03^{\circ} 49' 01''$ West 86.38 feet to a point on the North Right-Of-Way line of West Commerce Avenue and the beginning of the Westerly Right of Way line of South Broadway Avenue, thence along said Westerly Right-Of-Way the following courses:

North $73^{\circ} 15' 39''$ East 119.57 feet, thence

North $37^{\circ} 21' 33''$ East 196.11 feet, thence

North $26^{\circ} 43' 36''$ East 237.92 feet to a point of intersection with the Southerly Right-Of-Way Interstate of Highway 84, thence crossing said Highway

North $20^{\circ} 52' 19''$ East 870.10 feet to **POINT OF BEGINNING.**

Said Tract contains 2,643 acres more or less.



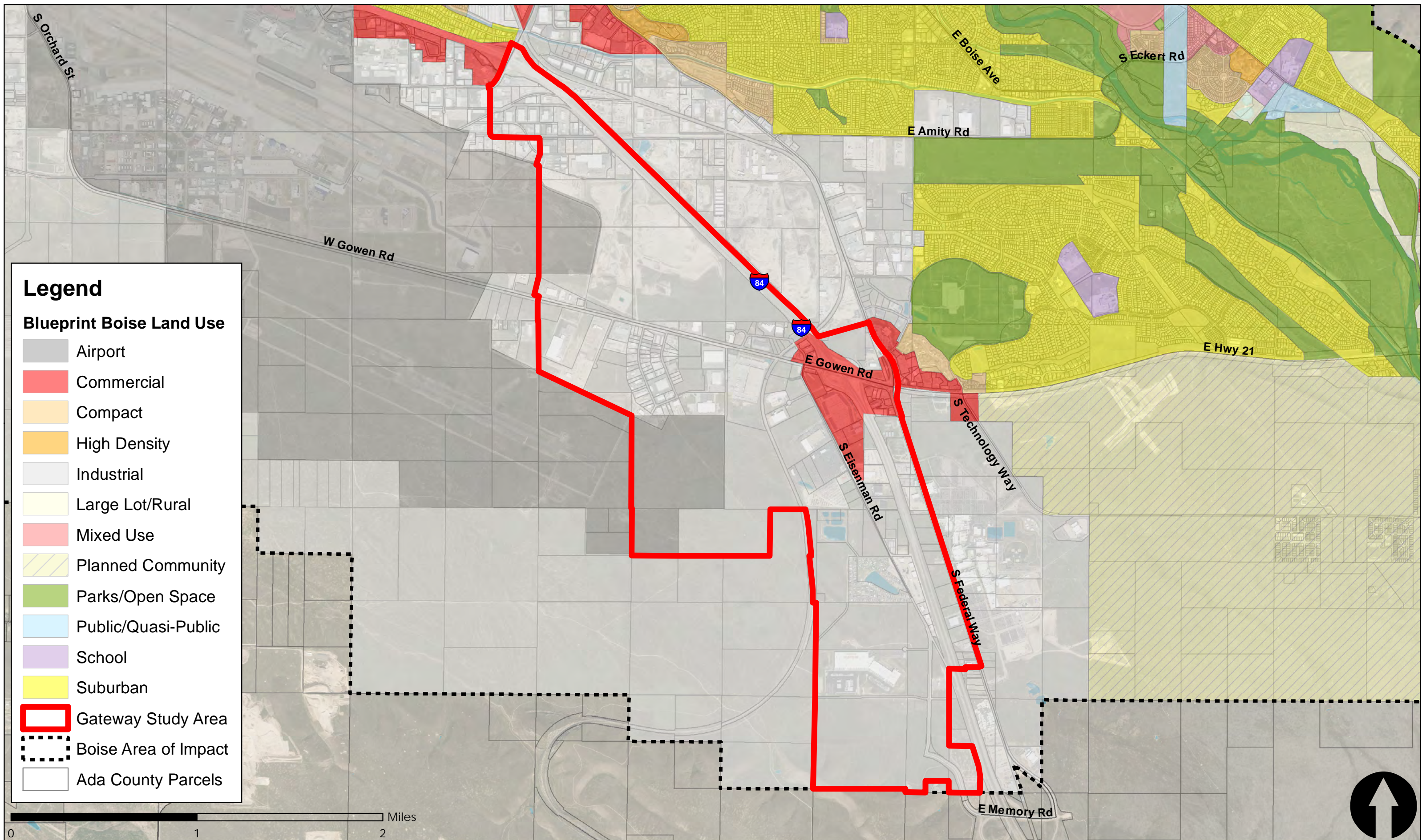
Attachment 3

Properties (Public and/or Private) Which May Be Acquired by Agency

1. The Agency has not identified any particular parcel for the construction of public improvements or for private redevelopment. Properties which may be subject to acquisition included parcels to:
 - a) assemble with adjacent parcels to facilitate development and/or redevelopment;
 - b) assemble with adjacent rights-of-way to improve configuration and enlarge parcels for development and/or redevelopment;
 - c) reconfigure sites for development and possible extension of streets or pathways
 - d) assemble for future transfer to qualified developers to facilitate the development of industrial, commercial and retail areas, and hotels;
 - e) assemble for the construction of certain public improvements, including but not limited to streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, parking, community and recreation facilities, parks and open space, multi-use paths and trails, school facilities and other public facilities.
2. The Agency reserves the right to acquire any additional right-of-way or access routes near or around existing or planned rights-of-way.
3. The Agency reserves the right to acquire property needed to provide adequately sized sites for high priority projects for the development of public improvements (the exact location of which has not been determined).
4. Other parcels may be acquired for the purpose of facilitating catalyst or demonstration projects, constructing public parking, constructing new streets or pathways, enhancing public spaces, or to implement other elements of the urban renewal plan strategy and/or any master plan for the Project Area.

Attachment 4

Map Depicting Expected Land Uses and Current Zoning
Within Revenue Allocation Area and Project Area



Gateway East Urban Renewal Study Area - Blueprint Boise Land Use



Attachment 5

Economic Feasibility Study



CAPITAL CITY DEVELOPMENT CORPORATION

Gateway East Urban Renewal District Feasibility Study

FINAL REPORT | October 24, 2018



CAPITAL CITY DEVELOPMENT CORPORATION
GATEWAY EAST URBAN RENEWAL DISTRICT
FEASIBILITY STUDY

October 24, 2018

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CAPITAL CITY DEVELOPMENT CORPORATION
Gateway East Urban Renewal District Feasibility Study

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1. Executive Summary

Urban Renewal and Economic Development Law Requirements

Idaho Code 50-2905 provides that the urban renewal agency shall prepare and adopt a plan for each revenue allocation area. The agency shall submit the plan and recommendation for approval thereof to the local governing body. Among the plan requirements listed in Idaho Code 50-2905, the plan shall include an economic feasibility study. Idaho Code 50-2905 also articulates the economic feasibility study must be held to a standard of specificity. The following Gateway East Urban Renewal District Feasibility Study ("Feasibility Study") sets forth findings for the proposed plan.

SB Friedman Development Advisors ("SB Friedman") was retained by the Urban Renewal Agency of the city of Boise City, Idaho, also known as Capital City Development Corporation ("CCDC" or "Agency"), to prepare an economic feasibility study pursuant to the Local Economic Development Act, Chapter 29, Title 50, Idaho Code (the "Act") for the Urban Renewal Plan ("Plan") for the Gateway East District Urban Renewal Project Area ("District").

Economic feasibility is an analysis of a scenario of revenues that could be generated by the urban renewal district based upon a market assessment, and the future costs required for the implementation of a plan that can be supported by those revenues. SB Friedman evaluated projected revenues against costs associated with the District planned improvements ("District Project Costs") to ensure economic feasibility of the Plan.

Findings of Feasibility

The incremental taxable values and resulting tax increment revenues over the 20-year term of the District (assessment years 2019-2038) are summarized in **Appendix IV**. Incremental property tax revenues are based on increases in taxable value for existing properties in the District and increases in taxable value resulting from development and/or redevelopment over the 20-year term. Adjustments were made to account for reductions in existing taxable value to accommodate redevelopment. The total incremental property tax revenues for the District projected over the 20-year Plan period amount to approximately \$156.4 million undiscounted.

Project Costs were provided to SB Friedman by CCDC, prioritized in five-year quarters (years 1 – 5, 6 – 10, 11 – 15, and 16 – 20). **Appendix VIII** shows a scenario which demonstrates the ability of the District to fund approximately \$96.5 million in present value District Project Costs over the 20-year term. The scenario includes District Project Costs paid out of incremental property tax cash flow in the first quarter generally in the form of reimbursements paid to developers for eligible District Project Costs, followed by three bond issuances – one in each of the remaining three quarters. District Project Costs are \$96.5 million in present value due to the expected escalation of construction costs over time and the cost of financing each of the bonds (assumed 4% cost of funds). District Project Costs can exceed the present value of revenues due to the interest earnings projected from the cumulative annual surplus over the District term. According to these projections, CCDC would be capable of assuming approximately \$121.3 million in debt in the final three quarters (years 6-20), all of which could be paid off prior to the expiration of the District. The projected revenues and District Project Costs result in a cumulative fund balance of approximately \$886,000 in 2039, or approximately \$404,000 in present value (discounted at 4% to 2019 dollars). Any surplus after termination of the District would be submitted to Ada County for distribution to the taxing districts.

Other Considerations

Funding sources in addition to incremental property taxes may be available or be feasible for CCDC to use in financing anticipated District Project Costs within the District. Other revenues could include private, federal, state and/or local government funding sources that may become available to assist in the financing of future projects.

2. Introduction

The City of Boise (the “City”) identified approximately 3,300 acres in southeast Boise as eligible for designation as an urban renewal district in August 2018. Following review, the District boundary includes approximately 2,640 acres. The area deemed eligible, but not included in the District includes approximately 600 acres north and east of I-84 and south of Federal Way. The District boundary is shown in **Appendix III**.

Implementing an urban renewal district provides the opportunity for the City to utilize revenue allocation funds, also known as tax increment financing (TIF) revenues, as a means of funding geographically targeted public improvements. As permitted by Idaho law, TIF can improve the ability of an urban renewal district to assist in economic development projects, make infrastructure improvements and implement mobility initiatives and place-making projects which benefit the area.

Idaho Code 50-2905 requires CCDC evaluate the economic feasibility of a proposed district and include economic feasibility findings within the Plan which shall be held to a standard of specificity.

This Feasibility Study evaluates the existing status of the District and reviews a development scenario and the resulting impact on the revenue generation capability of the District. In the process of satisfying the requirements, CCDC coordinated with City staff, and three consulting firms that developed key inputs to the Feasibility Study. SB Friedman led the financial analyses while Kimley Horn Associates (“KHA”) and Quadrant Consulting (“Quadrant”) coordinated on the design, physical planning and cost estimating.

The following key documents and models were developed and serve as key inputs into this Feasibility Study and will be referenced throughout the report:

1. **Market Assessment** | Real estate development projections over the 20-year term of the District, based on market research and trend data
2. **Revenue Model** | Projections of District incremental property tax revenues building on the Market Assessment and other key assumptions
3. **Industrial Development Plan** | A physical plan which expands upon the Market Assessment, identifying key areas projected to develop over the life of the District
4. **Project Costs** | Projected costs associated with the desired improvements referenced in the Industrial Development Plan that could be incurred by the URA
5. **Feasibility Model** | A model prepared by SB Friedman which reconciles the Revenue Model and Project Costs, which then identifies specific ‘District Project Costs’ which are projected to be economically feasible

Gateway East Urban Renewal District Boundary

The proposed District is bounded by Interstate 84 (“I-84”) to the north, South Federal Way to the east, the Boise Airport to the west and undeveloped land to the south. The boundary extends into both the Airport and Southeast Boise Planning Areas. The City, through planning documents such as Blueprint Boise and the Airport Master Plan, has expressed an interest in the area continuing to serve as a major industrial hub for the region. The intent is to expand industrial capacity in the District, allowing for a limited amount of supplemental retail and hotel growth, as well.

There are 269 parcels in the District encompassing the 2,640 acres (inclusive of public right-of-way). Most major land uses are present within the District including existing industrial uses (125 developed parcels, 35 parking parcels, and 77 unimproved parcels likely to be developed as industrial), office (5 parcels), retail (13), public/institutional (5) and residential (2). Right-of-way accounts for 340 acres, or approximately 13% of the proposed District. The parcels within the District that include agricultural operations or forest lands which would require consent of the property owner per Idaho Code 50-2018(8), 50-2018(9) and 50-2903(8) have been addressed and referenced in the Plan.

The proposed District includes 25 publicly-owned parcels that encompass 1,068 acres, or approximately 40% of the District. It is assumed that any private improvements made on land currently in public ownership will be taxable moving forward, regardless of land disposition strategy.

Existing Valuation of the Urban Renewal District

The District has a total of 269 real property parcels, 178 condo parcels and personal property, which had a cumulative taxable value of \$303,702,000 in 2017. Classification of parcels by Ada County Assessor use category is included in **Figure 1**.

Figure 1. 2017 Taxable Value by Assessor Use Category

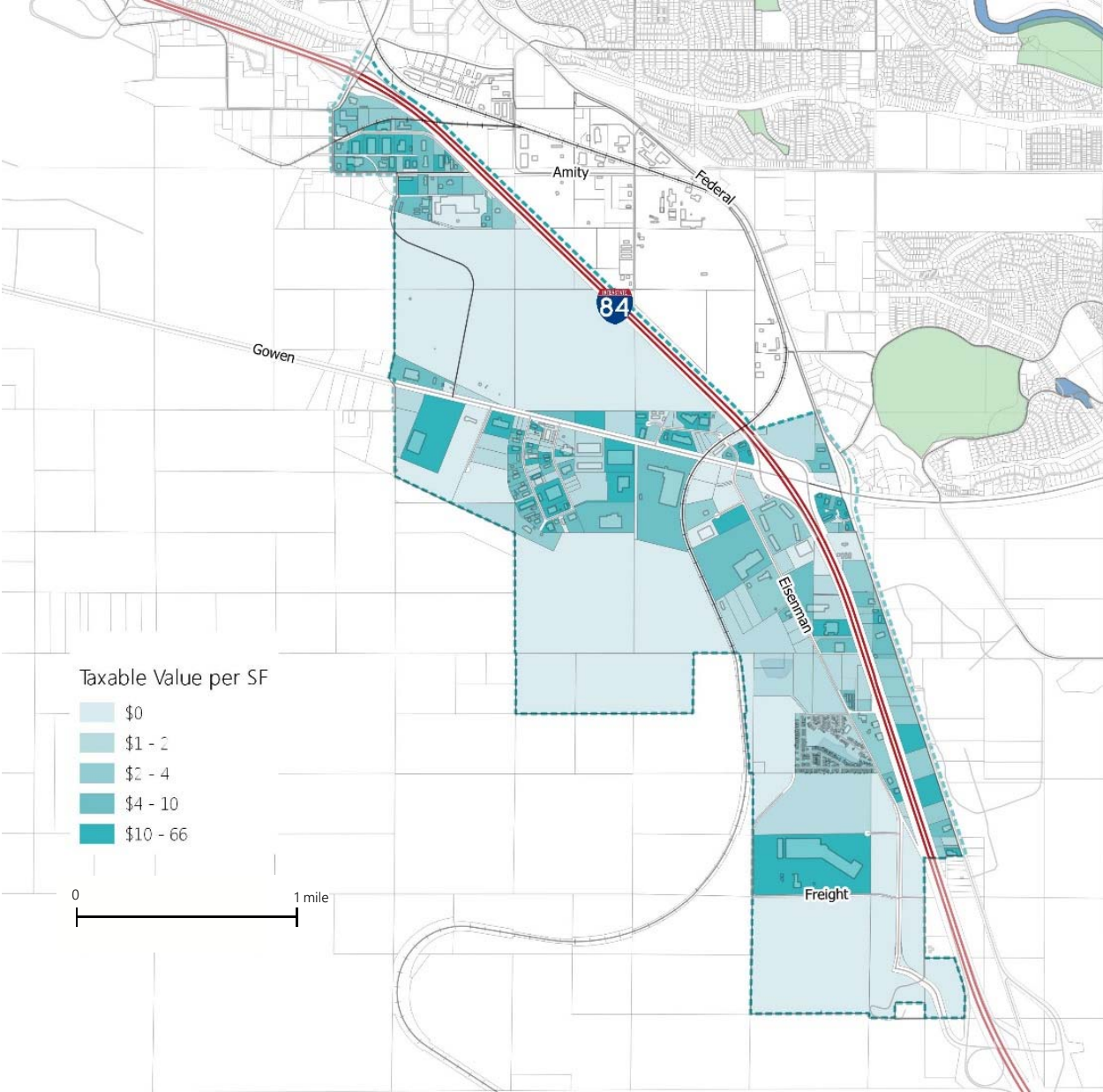
Zoning Category	Taxable Value (2017)
Public	\$0
Commercial	\$18,845,500
Residential [1]	\$12,138,400
Industrial	\$272,718,100

[1] Blue Valley Mobile Home parcels are zoned as M-1, or Limited Industrial

Source: Ada County Assessor, City of Boise, SB Friedman

Existing taxable value was also analyzed spatially to identify lower value nodes within the District. **Figure 2** on the following page displays taxable value per land square foot throughout the District. Properties with a higher existing taxable value per square foot are located along Gowen Road, Federal Way to the south and Boeing and Enterprise Streets to the north. City-owned airport parcels have no existing taxable value, nor do the majority of undeveloped parcels and parcels with gravel pits which are also publicly-owned.

Figure 2. Overall Taxable Value per Square Foot of Land



Source: Ada County Assessor, CCDC, City of Boise, SB Friedman

3. Development Program Projections

According to Idaho Code 50-2903(10) increment value “means the total value calculated by summing the difference between the current equalized value of each taxable property in the revenue allocation area and that property’s current base value on the base assessment roll, provided such difference is a positive value.” Base value on the “base assessment roll” means the equalized assessment rolls, for all classes of taxable property, on January 1 of the year in which the City Council passes an ordinance adopting the Plan containing a revenue allocation provision. Assuming City Council action in December of 2018, the effective date will be January 1, 2018 (“Effective Date”). For the purposes of this Feasibility Study, SB Friedman used the final 2017 taxable values of the District reported by Ada County as the base values for each property in the District.

Incremental value is calculated annually by property (interpreted to be parcels) through the termination date, set 20 years from the Effective Date of the Plan (50-2903). During the life of an urban renewal district, incremental value of real property value is generated through two mechanisms:

1. Increases in taxable value resulting from development or redevelopment over the 20-year term; and
2. Increases in taxable value due to appreciation of existing properties in the District.

SB Friedman conducted a Market Assessment to inform projections of new development/redevelopment over the 20-year term. The Market Assessment was the result of review of the data sources and planning materials identified in **Figure 3** below. SB Friedman also conducted stakeholder interviews with prospective developers, private utility companies and key public/quasi-public entities.

Figure 3. Key Market Assessment Data Sources

CoStar	Census Data (2016)	Market Studies	Planning Materials	Ada County
Historic vacancy	Residential building permit data	Thornton, Oliver, Keller	COMPASS	Assessors data; new development valuation and value absorption
Absorption	Public use microdata	CBRE	CCDC Plans	
Existing supply	Longitudinal Employer-Household Dynamics	Valbridge Property Advisors	Boise City Plans	

Projections were predominately based upon Longitudinal Employer-Household Dynamics (“LEHD”) employment data and COMPASS-projected employment growth rates over the District term. SB Friedman converted projected employment growth in the industrial corridor to real property square footage in the proposed District using market assumptions founded in historic analysis and development trends. The resulting program included in the ‘new development’ revenue projections is 9.9 million square feet of industrial space, 92,500 square feet of retail space and two hotels (the “Development Program”). The Development Program is comprised of Anticipated Developments and Projected Development. Anticipated Developments include projects under construction as of 2018 and anticipated projects that may occur; Projected Development accounts for the remainder of the demand projected in the Market Assessment. Anticipated developments should only be considered likely to occur, and occur on the schedule projected, in the event the District is established.

Excluding the Anticipated Developments, the Development Program for industrial and retail is projected to phase in evenly over the 20-year term of the District. Two hotels are projected to come online in Years 10 and 19, respectively. The Anticipated Developments are assumed to occur evenly over a 10-year period, beginning in 2019.

SB Friedman analyzed competitive new real estate product to derive a series of taxable value and program assumptions. These inputs helped drive the incremental taxable value estimates and thus tax revenue projections in the Revenue Model. Key assumptions include:

- **Taxable Value** | SB Friedman established taxable value assumptions on a per-square-foot or per-key basis after evaluation of comparable new construction projects in and near the District. Estimated taxable values were inflated 2.5% annually to the year of new construction delivery from 2019.
- **Absorption of Taxable Value** | For Anticipated Developments, SB Friedman assumed 20-60% of the projected taxable value will be absorbed in the year a building delivers. The absorption rate varies by land use and is based on an analysis of comparable buildings recently delivered.
- **Taxable Value Growth Rate** | Existing properties within the District are assumed to appreciate 2.5% annually.
- **Levy Rates** | The property tax levy rate is assumed to be a constant 0.015 through the life of the District. Levy rates have declined by approximately 0.02 over the last six years. SB Friedman held the levy rate constant to be conservative. Applying the levy rate to the incremental taxable value results in incremental property tax revenue generation.
- **Annual Operations** | SB Friedman assumed 12% of incremental property tax revenues will be deducted from gross revenues to fund operations, per CCDC direction. Gross revenues less the projected annual operations costs result in the net incremental revenues available to fund Project Costs.
- **Discount Rate/Cost of Borrowing** | SB Friedman assumed a 4% discount rate should be used per CCDC for all discounting of revenue projections to calculate present value. Incremental value revenues are discounted to 2019 dollars for consistency. Likewise, all bond amortization schedules assume an interest rate on all bonds of 4%.

4. Revenue Projection

Figure 4 summarizes the projected incremental property tax generation capability of the District in the scenario detailed above over the 20-year term of the Plan (assessment years 2019-2038). The figure is the result of the Revenue Model which accounts for both the Development Program value growth and appreciation of existing real estate.

Figure 4. District Tax Revenue Projection

Assessment Year	CCDC Fiscal Year	Revenue from the Base Value of the Existing Real Estate	Sources of Revenue		Combined Revenue	
			Revenue from 2.5% Growth per Year of the Existing Real Estate	Revenue from Development Program	Combined Growth & Increment Revenue (Gross)	Combined Growth & Increment Revenue (Net)
[1]	[2]/[3]	[4]	[5]	[6]/[7]	[8]	
2018	2019	\$4,555,530	\$0	\$0	\$0	\$0
2019	2020	\$4,555,530	\$113,888	\$217,228	\$331,116	\$291,382
2020	2021	\$4,555,530	\$230,624	\$990,154	\$1,220,778	\$1,074,285
2021	2022	\$4,555,530	\$350,278	\$1,630,139	\$1,980,417	\$1,742,767
2022	2023	\$4,555,530	\$472,923	\$2,301,504	\$2,774,427	\$2,441,496
2023	2024	\$4,555,530	\$598,634	\$3,005,419	\$3,604,053	\$3,171,567
2024	2025	\$4,555,530	\$727,488	\$3,743,091	\$4,470,579	\$3,934,110
2025	2026	\$4,555,530	\$859,564	\$4,515,769	\$5,375,332	\$4,730,292
2026	2027	\$4,555,530	\$994,941	\$5,324,740	\$6,319,681	\$5,561,319
2027	2028	\$4,555,530	\$1,133,703	\$6,171,338	\$7,305,041	\$6,428,436
2028	2029	\$4,555,530	\$1,275,934	\$7,056,844	\$8,332,777	\$7,332,844
2029	2030	\$4,555,530	\$1,421,720	\$7,982,864	\$9,404,584	\$8,276,034
2030	2031	\$4,555,530	\$1,571,151	\$8,833,016	\$10,404,167	\$9,155,667
2031	2032	\$4,555,530	\$1,724,318	\$9,516,204	\$11,240,523	\$9,891,660
2032	2033	\$4,555,530	\$1,881,315	\$10,228,032	\$12,109,346	\$10,656,225
2033	2034	\$4,555,530	\$2,042,236	\$10,969,503	\$13,011,738	\$11,450,330
2034	2035	\$4,555,530	\$2,207,180	\$11,741,655	\$13,948,835	\$12,274,975
2035	2036	\$4,555,530	\$2,376,248	\$12,545,559	\$14,921,806	\$13,131,189
2036	2037	\$4,555,530	\$2,549,542	\$13,382,319	\$15,931,861	\$14,020,038
2037	2038	\$4,555,530	\$2,727,169	\$14,252,959	\$16,980,128	\$14,942,512
2038	2039	\$4,555,530	\$2,909,236	\$15,132,802	\$18,042,039	\$15,876,994
			Total Undiscounted		\$177,709,000	\$156,384,000
			Present Value (2019\$)		\$108,556,000	\$95,529,000

- [1] Assumes the District is approved in 2018, with the first increment realized in CCDC Fiscal Year 2020.
- [2] Taxes are collected one year in arrears, taxes in calendar year 2020 are modeled to be collected in calendar year 2021.
- [3] The District will receive collections from the 20th and last year of the District in calendar year 2039.
- [4] Revenue from the base value of existing real estate will continue to be disbursed to the overlapping taxing jurisdictions through the life of the District.
- [5] Assumes the 2018 composite rate is constant through the life of the District.
- [6] Revenue from the Development Program includes all inflationary increment on previous year additions.
- [7] The Development Program is assumed to occur on sites susceptible to change.
- [8] Gross District revenue less CCDC Annual Program Operations.

In total, the District is projected to generate approximately \$156.4 million in incremental property tax revenue over the life of the District, undiscounted to fund Project Costs. Discounted at 4%, these revenues are anticipated to be approximately \$95.5 million in 2019 dollars. In the Development Program scenario detailed above, the District produces more incremental revenue each quarter: rising from approximately \$8.7 million in the first quarter (undiscounted) to approximately \$70.2 million in the last quarter. Revenues by quarter are summarized in **Figure 5**.

Figure 5. Projected District Revenues by Quarter

	Undiscounted	Discounted
First Quarter	\$8,721,000	\$7,817,000
Second Quarter	\$27,987,000	\$21,047,000
Third Quarter	\$49,430,000	\$30,729,000
Fourth Quarter	\$70,246,000	\$35,936,000

Source: SB Friedman

5. District Project Costs

Idaho Code 50-2905 requires a detailed list of estimated project costs the urban renewal district is likely to incur in the revenue allocation area. Idaho Code 50-2905 also requires improvements be provided with specificity, including the kind, number and location of all proposed public works or improvements in addition to the estimated costs of each. In creating the kind, number and location of projects, SB Friedman worked with CCDC, City of Boise staff and KHA to develop an Industrial Development Plan (Appendix VI) for the District.

KHA prepared the Industrial Development Plan using the Development Program provided by SB Friedman as a baseline. Development demand was allocated to sites susceptible to change, established by SB Friedman in conjunction with CCDC and City staff. In the predominately undeveloped District, the sites susceptible to change are almost entirely currently undeveloped sites. In the process of allocating development to sites, KHA ensured the ability to fit demand to land given current industrial building standards and the assumed scale of projected individual developments. **Appendix VI** includes a figure prepared by KHA that identifies development nodes within the District.

The development node concept map was used to drive the creation of planned improvements required to support the Industrial Development Plan. KHA projected planned improvements that account for both the required development to support growth projections within the District and greater infrastructure projects anticipated to better connect southeast Boise. Planned improvements¹ identified in the KHA plan and by stakeholders include (but are not limited to) the following:

- **Road Development/Expansion.** Large portions of the sites susceptible to change require new streets for development to occur. Planned roadways are primarily south of Gowen Road, however smaller streets are anticipated directly north of Gowen Road (Gekeler Lane and Cattle Drive).
- **Utility Expansion.** Development within the District will require the expansion of existing utilities, including sewer, water and telecom networks.
- **Residential Buffer.** CCDC intends to add an open space buffer around the edge of the existing residential portion of the District, to mitigate the effect of likely industrial development.
- **Gateway Programming.** A key goal of the District is to promote cohesive development throughout the area, which includes the development of a 'Gateway' design. The Agency is expecting to spend a portion of the revenues on establishing a gateway concept in addition to arts and cultural programming for the District.

Using the Industrial Development Plan prepared by KHA, CCDC worked with Quadrant to prepare cost estimates for each of the desired improvements. Quadrant prepared a final list of Project Costs for the desired improvements; based upon the kind, number and location of the improvements as defined by KHA. All cost

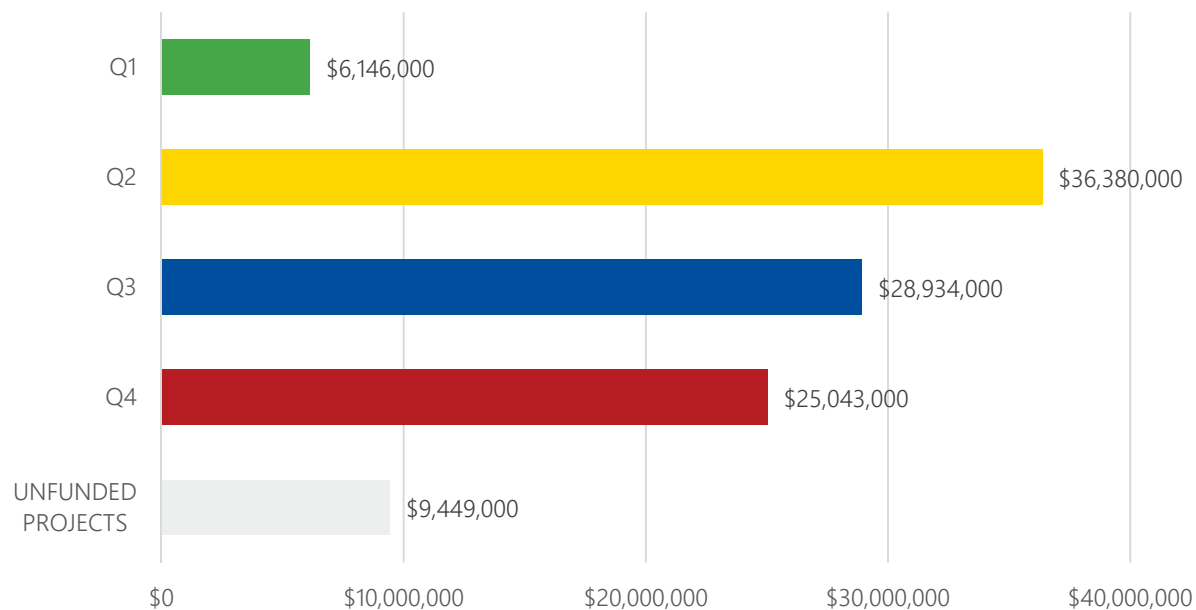
¹ When developed, the planned roadways and utility improvements may vary from those shown on Appendix VII

estimates are provided in 2019 dollars for consistency with the Revenue Model. Certain Project Costs are assumed to be split between multiple funding sources. For example, CCDC anticipates portions of the water main extension costs will be shared between Suez Water and CCDC. Additionally, all City-owned land involved in right-of-way improvements within the District is assumed to be donated at-no-cost to the District, reducing the total Project Costs.

In order to confirm feasibility of District Project Costs, SB Friedman used the revenue projections described in **Section 4** in addition to bond assumptions stated in **Section 6**. The two key inputs are used to construct the Feasibility Model which roughly balances projected incremental property tax revenues and District Project Costs. SB Friedman assumes the District will make cash payments for some District Project Costs and debt service payments for others. The Feasibility Model assumes payments out of the incremental revenue cash flow annually for the first quarter, followed by three bonds (one issued per quarter in each of the final three quarters).

The Industrial Development Plan results in \$105.9 million in desired Project Costs. The goal was to fund as many of the Project Costs as possible with projected incremental property taxes. Not all of the Project Costs can be funded with projected incremental property taxes. Those costs that can be funded are defined as District Project Costs. Project Costs that could not be funded out of projected incremental property taxes are defined as 'Unfunded Project Costs.' **Figure 6** includes Project Cost totals assigned to each quarter of the District and those that remain unfunded. Specific District Project Costs included in the total for each quarter are in **Appendix V**.

Figure 6. Project Costs by Quarter¹



[1] Costs identified are in present value (2019 dollars). Escalation of District Project Costs is addressed in **Section 6**.

Source: CCDC, Quadrant, SB Friedman

An exhibit prepared by KHA with both District Project Costs and Unfunded Project Costs (labeled accordingly) symbolized by the expected quarter projects will be implemented is included in **Appendix VII**. SB Friedman evaluated feasibility of District based on the smaller District Project Cost list, however, if additional incremental

property taxes materialize or priorities change, the Agency could elect to fund some or all of the Unfunded Project Costs.

6. Bond Assumptions

Bonds may be issued to fund District Project Costs. CCDC provided SB Friedman with a prioritized list of desired improvements (addressed in **Section 5**). These District Project Costs were reconciled with revenue projections to define a financially feasible plan to fund these costs. Typically, bonds can be issued to pay for improvements if the amount of incremental property tax revenue is deemed sufficient to fund the project directly or, if applicable, to service for the required debt. In evaluating bond feasibility, SB Friedman included the following key assumptions in the Feasibility Model:

- **Interest Rate** | The annual interest rate on all three bond issues was assumed to be 4%. The rate is reflective of recent CCDC experience with bonding in mature urban renewal districts and in consultation with CCDC's Municipal Advisor.
- **Issuance Cost** | Costs of issuance such as legal fees, municipal advisor fees and other costs are assumed to equal 1% of the bond principal amount.
- **Interest Earnings** | Cumulative cash flow not required for debt service or District Project Costs is assumed to earn 1% interest annually. Interest earnings account for approximately \$1.3 million in additional revenue in the scenario below, undiscounted, which helps fund additional District Project Costs.
- **Annual Cost Escalation** | District Project Costs are anticipated to escalate at 3% annually. All District Project Costs were inflated to the first year of each quarter, or the assumed bond issuance year.
- **Debt Service Structure** | SB Friedman assumed level principal and interest payments for each of the bonds. Bond terms for each of the three bond issuances are the full remaining period of the District (15, 10, and 5 years, respectively).

Figure 7 includes a projected bond scenario that results in an economically feasible District (further detailed in the following section).

Figure 7. Projected Bond Issuances

Assumed Bonds	Assumed Year	Present Value District Project Costs	Future Value District Project Costs	Issuance Costs	Total Issuance
Proposed - 2nd Quarter	2024	\$36,380,000	\$42,174,391	\$421,744	\$42,596,135
Proposed - 3rd Quarter	2029	\$28,934,000	\$38,884,877	\$388,849	\$39,273,725
Proposed - 4th Quarter	2034	\$25,043,000	\$39,016,178	\$390,162	\$39,406,340

Source: SB Friedman

7. Economic Feasibility

In the scenario described, the District will generate sufficient revenue to retire the three bonds totaling approximately \$90.4 million in present value District Project Costs. Additionally, the scenario projects the District can fund approximately \$6.1 million (in present value) of Project Costs out of first quarter cash flow, thus no bond issuance would be necessary until year 2024. **Appendix Figure A2.A** describes the six District Project Costs projected to be incurred in the first quarter. All District Project Costs, including costs paid out of cash, are assumed to escalate to the year in which costs are paid. First quarter District Project Costs are anticipated to primarily be tax increment-funded reimbursements for developer-built improvements, to balance development with necessary infrastructure improvements.

The Feasibility Model results in a cumulative fund balance which would revert to local taxing bodies if realized at the expiration of the District in 2039. The scenario detailed in this Feasibility Study has the following key assumptions:

- Projected new industrial, retail and hospitality development will occur over a 19-year period; Anticipated Development plans will occur within a 10-year period while demand is projected to occur evenly over the life of the District;
- Bonds are issued at the beginning of each of quarters two - four, after a mature cash flow is realized from incremental revenue in the first quarter; and
- Bond interest rates will be 4% and will be saleable in varying term durations.

Appendix VIII includes the projected revenue and a potential bond amortization schedule for the District, confirming that sufficient revenues are projected to service the bonds (assuming assumptions are realized). While there are a series of years at the end of the District which have negative *annual* cash flows, the scenario results in a positive *cumulative* cash flow in every year.

SB Friedman concludes that this Feasibility Study confirms there is a plausible scenario, built upon specific market assumptions and trends, which allows for approximately \$96.5 million in public improvement District Project Costs to be funded over the life of the District. This Feasibility Study is designed to serve as an attachment to the Plan, satisfying the requirement in Idaho Code 50-2905 that the plan shall include an economic feasibility study with specificity.

8. Alternative Sources of Funds

Funds necessary to pay for redevelopment Project Costs and/or municipal obligations, which may be issued or incurred to pay for such costs, are to be derived principally from District revenues and/or proceeds from municipal obligations, which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the Agency may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The Agency may incur Project Costs that are paid from the funds of the Agency other than incremental taxes, and the Agency then may be reimbursed for such costs from incremental taxes.

The tax increment revenue, which will be used to fund tax increment obligations and eligible Project Costs, shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current equalized taxable value of each taxable parcel of real property in the District over and above the certified base taxable value of each such property. Without the use of such incremental revenues, the District is not likely to similarly develop.

Other sources of funds, which may be used to pay for development costs and associated obligations issued or incurred, include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds or developer investment, and other sources of funds and revenues as the Agency from time to time may deem appropriate. In the event alternative sources of funds become available, CCDC may adjust the anticipated funding sources and prioritization of costs outlined above.

Appendix I: Limitations of Engagement

Our report will be based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we will obtain certain information. The sources of information and bases of the estimates and assumptions will be stated in the report. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our report, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the report to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we will be available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our study will not ascertain the legal and regulatory requirements applicable to this project, including zoning, other State and local government regulations, permits, and licenses. No effort will be made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Tax increment projections are anticipated to be prepared under this engagement for the purpose of estimating the approximate level of increment that could be generated by proposed projects and other properties within the proposed District boundary and from inflationary increases in value. These projections are intended to provide an estimate of the final taxable value of the District for inclusion in the final report and to provide a level of assurance that the increment to be generated would be sufficient to cover estimated District Project Costs.

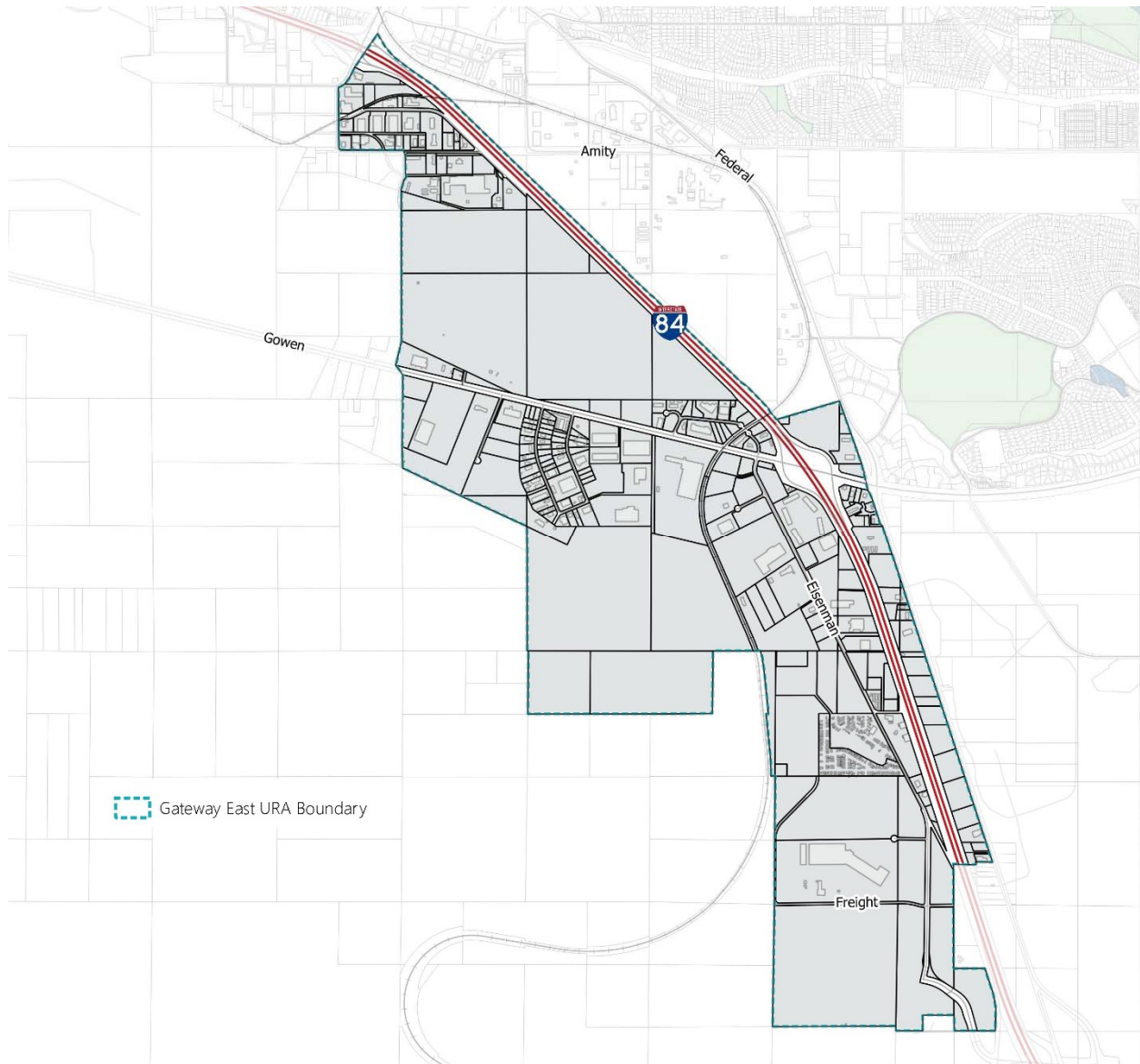
As such, our report and the preliminary projections prepared under this engagement are intended solely for your information, for the purpose of establishing a District, and may be reviewed by private institutional lenders in support of potential debt obligations. These projections should not be relied upon by any other person, firm or corporation, or for any other purposes. Neither the report nor its contents, nor any reference to our Firm, may be included or quoted in any offering circular or registration statement, appraisal, sales brochure, prospectus, loan, or other agreement or document intended for use in obtaining funds from individual investors, without prior written consent.

Appendix II: Development Program by Quarter

Figure A1. Development Program by Quarter

	Industrial (SF)	Retail (SF)	Hotels
First Quarter	3,050,000	19,000	0
Second Quarter	3,093,000	24,000	1
Third Quarter	2,016,000	24,000	0
Fourth Quarter	1,747,000	24,000	1
Total:	9,906,000	92,500	2

Appendix III: Gateway East URA Boundary



Source: CCDC, City of Boise, SB Friedman

Appendix IV: Revenue Model

Base Assumptions:	
Inflation Rate	2.5%
Composite Tax Levy	0.015
Urban Renewal Annual Program Operations [1]	12%
CCDC Discount Rate [2]	4%

Timing Assumptions:					
	Retail	Industrial			Hotel
Development Start Year [3]	2019	2019			2019
Years to Deliver Anticipated Developments	1	10			1
Other Demand Years to Deliver [4]	19	19			18
Taxable Value Assumptions:					
	Retail	Ind. Distribution	Ind. Manufacturing	Ind. Warehouse	Hotel
Taxable Value	\$195	\$55	\$55	\$85	\$89,000
Unit	SF	SF	SF	SF	Key

			Sources of New Increment Value						Sources of Revenue		Combined Revenue		
			Value Growth of Existing Real Estate	Value Growth from Projected New Real Estate in the Gateway East URA					Revenue from Existing Value Growth	Revenue from Projected New Value Growth	Gross URA Revenue (Existing + New)	New Increment Value Revenue	
				Cumulative TV Increment on Existing Real Estate	TV Increment from 2018 Development	TV Increment from Anticipated Developments	TV Increment from Demand	TV Deductions of Existing Land/Improvements					Cumulative TV Increment on Development
URA Year	Assessment Year	CCDC Fiscal Year											
[5]	[6]/[7]	[6]/[7]	[8]		[9]/[11]	[10]/[11]	[11]	[12]	[13]	[13]		[14]	
Q1	0	2018	2019	\$7,592,550	\$14,582,323	\$0	\$0	-\$100,478	\$14,481,846				
	1	2019	2020	\$15,374,914	\$21,438,000	\$7,262,512	\$25,010,953	-\$2,648,064	\$66,010,282	\$113,888	\$217,228	\$331,116	\$291,382
	2	2020	2021	\$23,351,837	\$0	\$18,093,444	\$25,636,227	-\$2,714,265	\$108,675,944	\$230,624	\$990,154	\$1,220,778	\$1,074,285
	3	2021	2022	\$31,528,183	\$0	\$18,545,780	\$26,277,132	-\$2,782,122	\$153,433,633	\$350,278	\$1,630,139	\$1,980,417	\$1,742,767
	4	2022	2023	\$39,908,937	\$0	\$19,009,424	\$26,934,061	-\$2,851,675	\$200,361,283	\$472,923	\$2,301,504	\$2,774,427	\$2,441,496
Q2	5	2023	2024	\$48,499,210	\$0	\$19,484,660	\$27,607,412	-\$2,922,967	\$249,539,420	\$598,634	\$3,005,419	\$3,604,053	\$3,171,567
	6	2024	2025	\$57,304,241	\$0	\$19,971,776	\$28,297,597	-\$2,996,041	\$301,051,238	\$727,488	\$3,743,091	\$4,470,579	\$3,934,110
	7	2025	2026	\$66,329,397	\$0	\$20,471,071	\$29,005,037	-\$3,070,942	\$354,982,685	\$859,564	\$4,515,769	\$5,375,332	\$4,730,292
	8	2026	2027	\$75,580,182	\$0	\$20,982,847	\$29,730,163	-\$3,147,716	\$411,422,547	\$994,941	\$5,324,740	\$6,319,681	\$5,561,319
	9	2027	2028	\$85,062,236	\$0	\$21,507,419	\$30,473,417	-\$3,232,688	\$470,456,259	\$1,133,703	\$6,171,338	\$7,305,041	\$6,428,436
Q3	10	2028	2029	\$94,781,342	\$0	\$22,045,104	\$31,235,253	-\$3,307,069	\$532,190,954	\$1,275,934	\$7,056,844	\$8,332,777	\$7,332,844
	11	2029	2030	\$104,743,426	\$0	\$13,299,602	\$32,016,134	-\$1,943,737	\$588,867,727	\$1,421,720	\$7,982,864	\$9,404,584	\$8,276,034
	12	2030	2031	\$114,954,561	\$0	\$0	\$32,816,537	-\$1,992,330	\$634,413,627	\$1,571,151	\$8,833,016	\$10,404,167	\$9,155,667
	13	2031	2032	\$125,420,975	\$0	\$0	\$33,636,951	-\$2,042,139	\$681,868,780	\$1,724,318	\$9,516,204	\$11,240,523	\$9,891,660
	14	2032	2033	\$136,149,050	\$0	\$0	\$34,477,875	-\$2,093,192	\$731,300,182	\$1,881,315	\$10,228,032	\$12,109,346	\$10,656,225
Q4	15	2033	2034	\$147,145,326	\$0	\$0	\$35,339,822	-\$2,145,522	\$782,776,986	\$2,042,236	\$10,969,503	\$13,011,738	\$11,450,330
	16	2034	2035	\$158,416,509	\$0	\$0	\$36,223,317	-\$2,199,160	\$836,370,568	\$2,207,180	\$11,741,655	\$13,948,835	\$12,274,975
	17	2035	2036	\$169,969,472	\$0	\$0	\$37,128,900	-\$2,254,139	\$892,154,594	\$2,376,248	\$12,545,559	\$14,921,806	\$13,131,189
	18	2036	2037	\$181,811,259	\$0	\$0	\$38,057,123	-\$2,318,334	\$950,197,247	\$2,549,542	\$13,382,319	\$15,931,861	\$14,020,038
	19	2037	2038	\$193,949,090	\$0	\$0	\$37,269,574	-\$2,368,255	\$1,008,853,497	\$2,727,169	\$14,252,959	\$16,980,128	\$14,942,512
	20	2038	2039	Last Year of Collections:						\$2,909,236	\$15,132,802	\$18,042,039	\$15,876,994
				Total Revenue, 2019-2038						\$28,168,000	\$149,541,000	\$177,709,000	\$156,384,000
				Present Value of URA Revenue (2019\$):						\$17,247,000	\$91,309,000	\$108,556,000	\$95,529,000

- [1] Assumes 12.0% of increment revenue for operations.
- [2] Discount rate reflects the standard bond rate for mature URAs.
- [3] Assuming the program of Anticipated Developments deliver over 10-year period.
- [4] Other demand within the District is assumed to come online beginning in 2020.
- [5] Assumes the Gateway East URA is approved in 2018, with the first increment revenue collected in CCDC fiscal year 2020.
- [6] Taxes are collected one year in arrears, taxes in calendar year 2019 are modeled to be collected in calendar year 2020.
- [7] The Gateway East URA will receive collections from the 20th and last year of the URA in CCDC fiscal year 2039.
- [8] Assumes a 2.5% inflation of the base taxable value, which is assumed at \$303,702,000 based on 2017 Ada County Assessor Data
- [9] Assumes a portion of taxable value (varies by land use) comes online in the year placed in service, the remaining coming online in the following year.
- [10] Includes all demand not associated with Anticipated Development or 2018 developments.
- [11] Does not show cumulative taxable value increment, only displays increment or deductions associated with new investment coming online in a given year.
- [12] Includes increment from new product in the given calendar year, in addition to the cumulative inflated increment from new product in previous calendar years.
- [13] Assumes the 2018 tax levy is constant through the life of the Gateway East URA.
- [14] Gross URA revenue available increment less Urban Renewal Program operations.
- Assumptions provided by CCDC

Appendix V: Costs by Quarter

Figure A2.A. First Quarter Costs

Improvement	Year	Cost
Eisenman South Utilities, Phase 1 (23%)	2019	\$290,000
Eisenman South Utilities, Phase 2 (77%)	2020	\$969,000
Eisenman Boise Gateway Frontage, Ph1 (75%)	2021	\$1,656,000
Eisenman Boise Gateway Frontage, Ph2 (25%)	2022	\$1,311,000
Holcomb Court & Utilities	2023	\$1,920,000
TOTAL		\$6,146,000

Figure A2.B. Second Quarter Costs

Improvement	Cost
Production Street North & Utilities	\$6,532,000
Idaho Power Upgrade	\$10,398,000
Suez Water Upgrade	\$3,755,000
Gowen Utility Upgrades	\$4,810,000
Eisenman North Utilities	\$2,104,000
Lake Hazel & Eisenman Roundabout	\$3,094,000
Red River Road North & Utilities	\$3,105,000
Freight St East	\$748,000
Rail Trail	\$724,000
Open Space	\$610,000
Gateway, Arts & Cultural Programming	\$500,000
TOTAL	\$36,380,000

Figure A2.C. Third Quarter Costs

Improvement	Cost
Lake Hazel Extension & Utilities	\$6,887,000
North Eisenman Road Widening	\$4,402,000
Warehouse Way South	\$1,724,000
Holcomb Rd South	\$2,156,000
Production Street South & Utilities	\$4,639,000
Gekeler Lane & Utilities	\$4,181,000
Supply Circle North	\$3,430,000
Five Mile Sewer Line	\$1,102,000
Citation Sewer Line	\$413,000
TOTAL	\$28,934,000

Figure A2.D. Fourth Quarter Costs

Improvement	Cost
Cattle Drive & Utilities	\$2,271,000
Red River South & Utilities	\$5,111,000
Supply Circle South & Utilities	\$9,858,000
Warehouse Way North	\$4,103,000
Winco Way	\$3,700,000
TOTAL	\$25,043,000

Figure A2.E. Unfunded Project Costs

Improvement	Cost
Holcomb Rd Center	\$2,105,000
Freight St Buildout	\$2,638,000
Peda Street & Utilities	\$3,041,000
Bryson Boulevard	\$1,665,000
TOTAL	\$9,449,000

Appendix VI: Industrial Development Plan

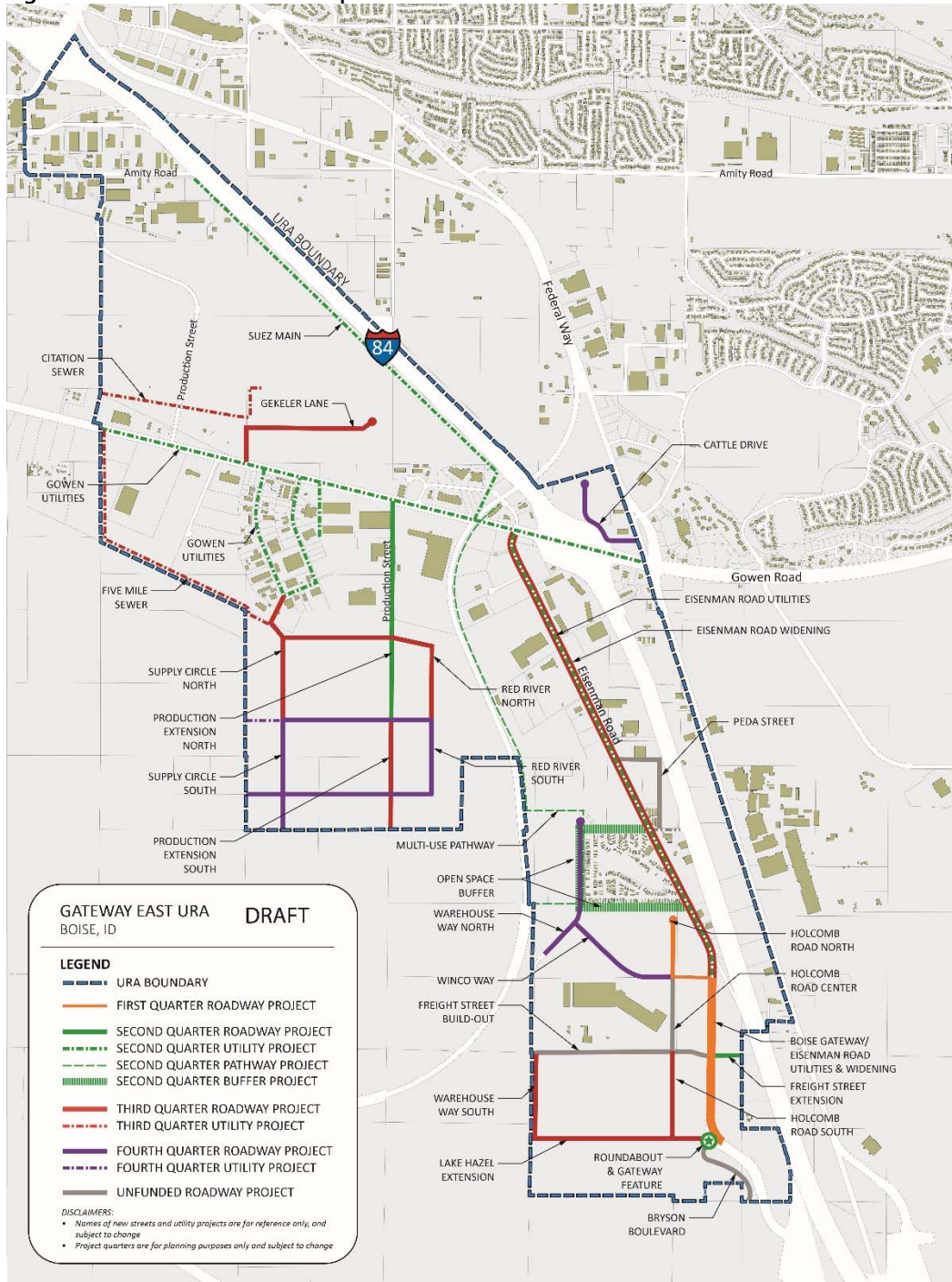
Figure A3. Industrial Development Plan



Source: KHA

Appendix VII. Infrastructure Development Plan

Figure A4. Infrastructure Development Plan



Source: KHA

Appendix VIII: Feasibility Model

Projected Bond Terms

Interest Rate on Bonds [1]	4%
Cost of Funds [1]	4%
Interest Earnings [2]	1%
Issuance Costs [3]	1%
Q2 Level P&I Payment Term	15
Q3 Level P&I Payment Term	10
Q4 Level P&I Payment Term	5

Funding Structure

Assumed Bonds	Assumed Year	Amount [4]	Issuance Costs	Total Issuance [5]	Years of URA Before Payment Begins
Proposed - 2nd Quarter	2024	\$42,174,391	\$421,744	\$42,596,135	5
Proposed - 3rd Quarter	2029	\$38,884,877	\$388,849	\$39,273,725	10
Proposed - 4th Quarter	2034	\$39,016,178	\$390,162	\$39,406,340	15

Annual Escalation of Construction Costs [6]	3%
---	----

Summary

Cumulative Fund Balance in 2039	\$885,829
PV of Cumulative Fund Balance (2019\$)	\$404,281
Outstanding Debt in 2039	\$0

PV of funded improvements	\$96,503,000
PV of revenues @ 4%	\$95,529,386

Notes:

- [1] Interest rate and cost of funds provided by CCDC
- [2] Interest earnings rate assumption based on current interest earnings on existing URA districts
- [3] Issuance cost assumption based on SB Friedman project experience
- [4] Bond total amounts based on CCDC project funding by quarter matrix
- [5] Loan amount plus issuance costs
- [6] Project costs provided by CCDC are escalated at 3% annually to account for increasing construction costs
- [7] Taxes are collected one year in arrears, taxes in calendar year 2019 are modeled to be collected in calendar year 2020

URA Year	Assessment Year [7]	New Increment Value Revenue	Proposed First Quarter Costs Paid Out of Cash Flow	Debt Service			Debt Service			Debt Service			URA Payoff Analysis		
				Proposed - 2nd Quarter			Proposed - 3rd Quarter			Proposed - 4th Quarter					
				URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	Annual Surplus/Shortfall	Cumulative Fund Balance	Interest Earnings/ on Cumulative Balance
0	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2019	\$291,382	\$290,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,382	\$1,382	\$14
2	2020	\$1,074,285	\$998,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$76,215	\$77,610	\$776
3	2021	\$1,742,767	\$1,756,850	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$14,084	\$64,303	\$643
4	2022	\$2,441,496	\$1,432,565	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,008,931	\$1,073,877	\$10,739
5	2023	\$3,171,567	\$2,160,977	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,010,590	\$2,095,205	\$20,952
6	2024	\$3,934,110	\$0	\$42,596,135	\$3,831,143	\$40,468,837	\$0	\$0	\$0	\$0	\$0	\$0	\$102,967	\$2,219,124	\$22,191
7	2025	\$4,730,292	\$0	\$0	\$3,831,143	\$38,256,447	\$0	\$0	\$0	\$0	\$0	\$0	\$899,149	\$3,140,465	\$31,405
8	2026	\$5,561,319	\$0	\$0	\$3,831,143	\$35,955,562	\$0	\$0	\$0	\$0	\$0	\$0	\$1,730,176	\$4,902,045	\$49,020
9	2027	\$6,428,436	\$0	\$0	\$3,831,143	\$33,562,641	\$0	\$0	\$0	\$0	\$0	\$0	\$2,597,293	\$7,548,359	\$75,484
10	2028	\$7,332,844	\$0	\$0	\$3,831,143	\$31,074,003	\$0	\$0	\$0	\$0	\$0	\$0	\$3,501,701	\$11,125,543	\$111,255
11	2029	\$8,276,034	\$0	\$0	\$3,831,143	\$28,485,820	\$39,273,725	\$4,842,095	\$36,002,580	\$0	\$0	\$0	-\$397,204	\$10,839,595	\$108,396
12	2030	\$9,155,667	\$0	\$0	\$3,831,143	\$25,794,110	\$0	\$4,842,095	\$32,600,588	\$0	\$0	\$0	\$482,429	\$11,430,420	\$114,304
13	2031	\$9,891,660	\$0	\$0	\$3,831,143	\$22,994,731	\$0	\$4,842,095	\$29,062,517	\$0	\$0	\$0	\$1,218,422	\$12,763,147	\$127,631
14	2032	\$10,656,225	\$0	\$0	\$3,831,143	\$20,083,377	\$0	\$4,842,095	\$25,382,923	\$0	\$0	\$0	\$1,982,987	\$14,873,765	\$148,738
15	2033	\$11,450,330	\$0	\$0	\$3,831,143	\$17,055,569	\$0	\$4,842,095	\$21,556,145	\$0	\$0	\$0	\$2,777,092	\$17,799,595	\$177,996
16	2034	\$12,274,975	\$0	\$0	\$3,831,143	\$13,906,649	\$0	\$4,842,095	\$17,576,296	\$39,406,340	\$8,851,732	\$32,130,861	-\$5,249,996	\$12,727,595	\$127,276
17	2035	\$13,131,189	\$0	\$0	\$3,831,143	\$10,631,771	\$0	\$4,842,095	\$13,437,254	\$0	\$8,851,732	\$24,564,363	-\$4,393,781	\$8,461,090	\$84,611
18	2036	\$14,020,038	\$0	\$0	\$3,831,143	\$7,225,899	\$0	\$4,842,095	\$9,132,649	\$0	\$8,851,732	\$16,695,205	-\$3,504,933	\$5,040,768	\$50,408
19	2037	\$14,942,512	\$0	\$0	\$3,831,143	\$3,683,792	\$0	\$4,842,095	\$4,655,860	\$0	\$8,851,732	\$8,511,281	-\$2,582,458	\$2,508,718	\$25,087
20	2038	\$15,876,994	\$0	\$0	\$3,831,143	\$0	\$0	\$4,842,095	\$0	\$0	\$8,851,732	\$0	-\$1,647,976	\$885,829	\$8,858
TOTAL		\$156,384,122	\$6,638,462	\$42,596,135	\$57,467,148		\$39,273,725	\$48,420,947		\$39,406,340	\$44,258,662			\$885,829	\$1,295,784

Attachment 6

Agricultural Operation Consent(s)

CONSENT FORM

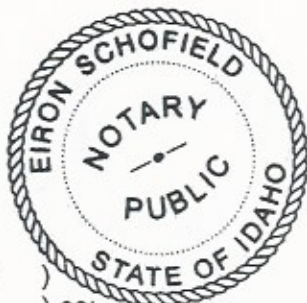
COMES NOW SCOTT R. THOMSON, MANAGER DIRECTOR of RED RIVER INVESTMENTS LLC, an Idaho Limited Liability Company, and states that Red River Investments, LLC owns that certain property generally described as Parcel Identification Number: S1501336300, and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), and hereby certifies:

(1) that the Property has been used, within the last three (3) years, as an agricultural operation; and

(2) that the undersigned has reviewed the materials provided in Exhibit B, and has had an opportunity to review the urban renewal eligibility report, dated July 18, 2018, entitled Gateway East Urban Renewal Area Eligibility Report for the Urban Renewal Agency of Boise City, Idaho, also known as Capital City Development Corporation, prepared by SB Friedman Development Advisors, and as attached hereto as Exhibit C.

Further, Scott R. Thomson, as Managing Director of said Red River Investments, LLC, hereby provides his/her consent and approval that the subject Property may be included within a proposed urban renewal area, and may be deemed appropriate for inclusion within an urban renewal project area as defined by the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code, as amended, and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended, as the property possesses certain characteristics of eligibility.

DATED this 13th day of August, 2018.



STATE OF IDAHO)

County of Ada)

RED RIVER INVESTMENTS, LLC

By: _____

Scott R. Thomson
Managing Director

On this 14th day of August, 2018, before me, a notary public in and for said state, personally appeared Scott R. Thomson, known or identified to me to be the Managing Director of Red River Investments, LLC, an Idaho limited liability company, the person who executed the instrument on behalf of said entity as said Managing Director 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 Blaine County
My Commission Expires June 26, 2021

ALTA/ACSM LAND TITLE SURVEY FOR RUSSELL AD DEVELOPMENT GROUP

LOCATED IN THE W 1/2 OF SECTION 1, TOWNSHIP 2 NORTH,
RANGE 2 EAST, BOISE MERIDIAN, ADA COUNTY, IDAHO
2005

LEGAL DESCRIPTION

A PARCEL LOCATED IN THE W 1/2 OF SECTION 1, TOWNSHIP 2 NORTH, RANGE 2 EAST, BOISE MERIDIAN, ADA COUNTY, IDAHO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BRASS CAP MONUMENT MARKING THE NORTHWEST CORNER OF SAID SECTION 1 FROM WHICH A BRASS CAP MONUMENT MARKING THE SOUTHWEST CORNER OF THE NW 1/4 OF SAID SECTION 1 BEARS S 0°44'40" W A DISTANCE OF 2673.38 FEET;

THENCE S 0°44'40" W ALONG THE WESTERLY BOUNDARY OF SAID SECTION 1 A DISTANCE OF 740.48 FEET TO A 1 INCH DIAMETER ALUMINUM CAP ON THE SOUTHERLY RIGHT-OF-WAY OF GOWEN ROAD AND THE POINT OF BEGINNING;

THENCE LEAVING SAID WESTERLY BOUNDARY S 76°13'11" E ALONG SAID SOUTHERLY RIGHT-OF-WAY A DISTANCE OF 67.75 FEET TO A 5/8 INCH DIAMETER IRON PIN;

THENCE LEAVING SAID SOUTHERLY RIGHT-OF-WAY S 0°44'40" W ALONG A LINE 66 FEET EAST OF AND PARALLEL TO THE WESTERLY BOUNDARY OF SAID SECTION 1 A DISTANCE OF 1917.14 FEET TO A 5/8 INCH DIAMETER IRON PIN;

THENCE CONTINUING ALONG SAID LINE S 0°26'52" W A DISTANCE OF 156.74 FEET TO A 5/8 INCH DIAMETER IRON PIN;

THENCE LEAVING SAID LINE S 76°13'47" E A DISTANCE OF 1172.73 FEET TO A 5/8 INCH DIAMETER IRON PIN ON THE WESTERLY RIGHT-OF-WAY OF THE UNION PACIFIC RAILROAD;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY A DISTANCE OF 57.24 FEET ALONG THE ARC OF A 3879.71 FOOT RADIUS NON-TANGENT CURVE LEFT, SAID CURVE HAVING A CENTRAL ANGLE OF 0°50'43" AND A LONG CHORD BEARING S 23°30'23" E A DISTANCE OF 57.23 FEET TO A 1 1/2 INCH DIAMETER ALUMINUM CAP;

THENCE CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY S 23°19'20" E A DISTANCE OF 2022.22 FEET TO A 1 1/2 INCH DIAMETER ALUMINUM CAP;

THENCE CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY A DISTANCE OF 236.89 FEET ALONG THE ARC OF A 3770.41 FOOT RADIUS CURVE RIGHT, SAID CURVE HAVING A CENTRAL ANGLE OF 3°35'59" AND A LONG CHORD BEARING S 22°06'36" E A DISTANCE OF 236.85 FEET TO A 1 1/2 INCH DIAMETER ALUMINUM CAP;

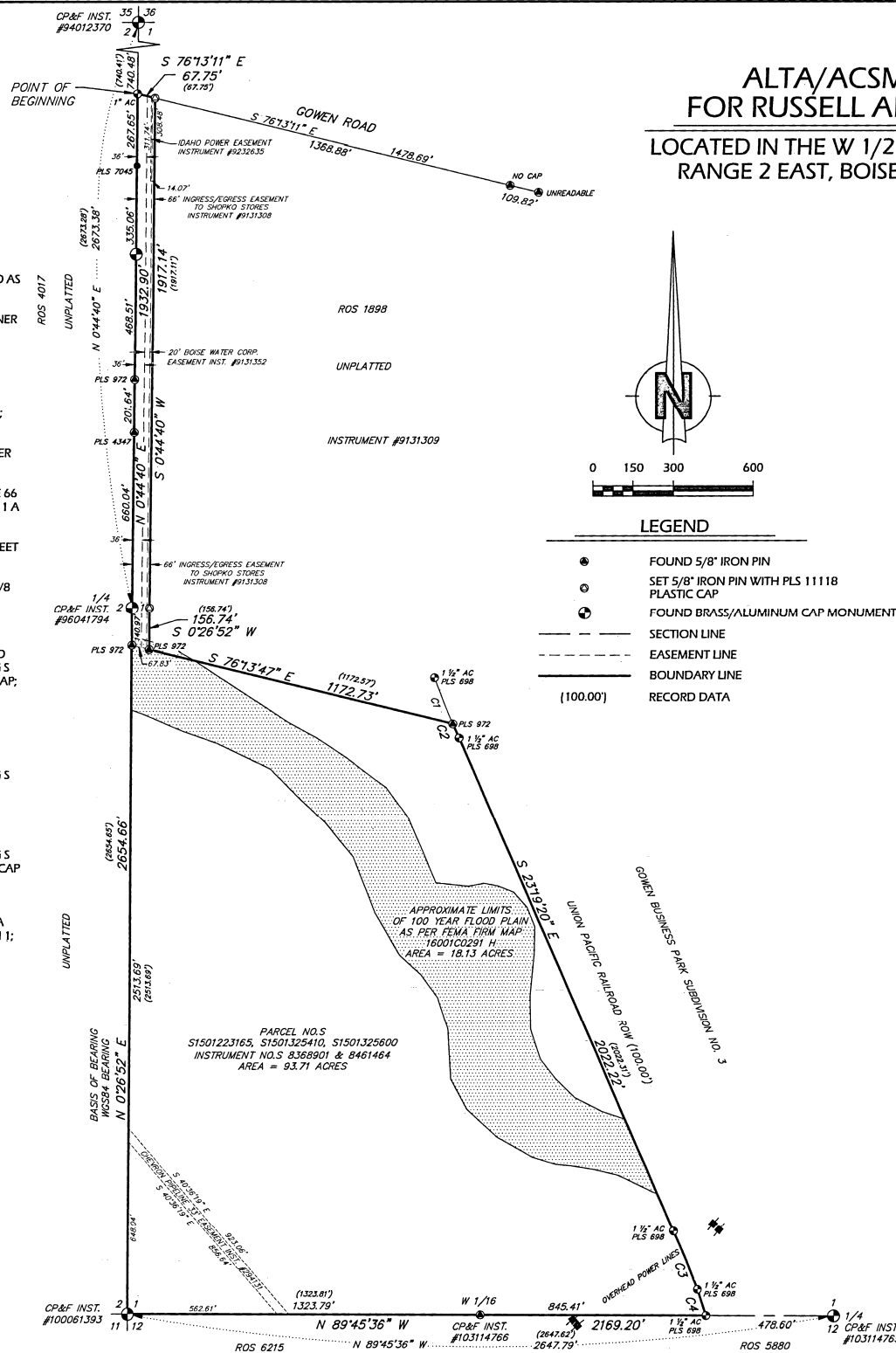
THENCE CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY A DISTANCE OF 103.60 FEET ALONG THE ARC OF A 1860.08 FOOT RADIUS CURVE RIGHT, SAID CURVE HAVING A CENTRAL ANGLE OF 3°11'29" AND A LONG CHORD BEARING S 18°01'41" E A DISTANCE OF 103.59 FEET TO A 1 1/2 INCH DIAMETER ALUMINUM CAP ON THE SOUTHERLY BOUNDARY OF SAID SECTION 1;

THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY N 89°45'36" W ALONG THE SOUTHERLY BOUNDARY OF SAID SECTION 1 A DISTANCE OF 2169.20 FEET TO A BRASS CAP MONUMENT MARKING THE SOUTHWEST CORNER OF SAID SECTION 1;

THENCE N 0°26'52" E ALONG THE WESTERLY BOUNDARY OF SAID SECTION 1 A DISTANCE OF 2654.66 FEET TO A BRASS CAP MONUMENT MARKING THE SOUTHWEST CORNER OF THE NW 1/4 OF SAID SECTION 1;

THENCE CONTINUING ALONG SAID WESTERLY BOUNDARY N 0°44'40" E A DISTANCE OF 1932.90 FEET TO THE POINT OF BEGINNING.

THIS PARCEL CONTAINS 93.71 ACRES AND IS SUBJECT TO ANY EASEMENTS EXISTING OR IN USE.



NOTES

1- SEE SHEET 2 FOR RELEVANT TOPOGRAPHICAL INFORMATION

2- REFERENCES: RECORD OF SURVEY NOS B-118, 597, 1898, 2452, 2672, 3004, 3804, 3982, 5880, AND 6215; GOWEN BUSINESS PARK SUBDIVISION NO. 1; GOWEN BUSINESS PARK SUBDIVISION NO. 3.

3- CHEVRON PIPELINE REQUIRES ADVANCED NOTICE OF ANY ACTIVITY IN OR AROUND THE AREA SHOWN WHERE THE PIPELINES CROSS THE PROPERTY. PLEASE CALL GEORGE ADAMS AT 801-975-2324 TO NOTIFY OF ANY ACTIVITY AND GAIN ACCESS TO PIPELINE AREA.

4- THIS PROPERTY IS SUBJECT TO AVIGATION EASEMENTS GRANTED TO BOISE CITY IN INSTRUMENT NOS. 901545, 7604890, AND 7605065. THE DESCRIPTION OF THE EASEMENT READS "THAT PORTION OF THE WEST HALF (W 1/2) OF SECTION 1, TOWNSHIP 2 NORTH OF RANGE 2 EAST OF BOISE MERIDIAN, ADA COUNTY, IDAHO, THAT LIES IN THE INNER APPROACH ZONE 'B', P.L.R. 28C-10C, [FUTURE LONG RANGE DESIGNATION] EAST END."

RECORDERS CERTIFICATE

STATE OF IDAHO }
COUNTY OF ADA } SS

FILED FOR RECORD AT THE REQUEST OF CLINTON W. HANSEN AT 03 MINUTES PAST 11 O'CLOCK P.M. THIS 1 DAY OF Sept 2005.

J. DAVID NAVARRO, ADA COUNTY RECORDER

BY Alamardo DEPUTY

FEE: \$10.00

INSTRUMENT NO. 10512653A

CERTIFICATE OF SURVEYOR

TO RUSSELL AD DEVELOPMENT GROUP: I, CLINTON W. HANSEN, DO HEREBY CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA, ACSM AND NSPS IN 1999. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA, NSPS, AND ACSM AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, I FURTHER CERTIFY THAT PROPER FIELD PROCEDURES, INSTRUMENTATION, AND ADEQUATE SURVEY PERSONNEL WERE EMPLOYED IN ORDER TO ACHIEVE RESULTS COMPARABLE TO THOSE OUTLINED IN THE "MINIMUM ANGLE, DISTANCE, AND CLOSURE REQUIREMENTS FOR SURVEY MEASUREMENTS WHICH CONTROL LAND BOUNDARIES FOR ALTA/ACSM LAND TITLE SURVEYS."

I FURTHER CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF IDAHO AND THAT THIS RECORD WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY DIRECT SUPERVISION AND IS AN ACCURATE REPRESENTATION OF SAID SURVEY AND IS IN CONFORMITY WITH THE CORNER PERPTUATION AND FILING ACT IN TITLE 55, CHAPTER 16, IDAHO CODE.

CLINTON W. HANSEN



PLS 11118

LandSolutions

Land Surveying and Consulting

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Idaho Statutes

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TITLE 50 MUNICIPAL CORPORATIONS CHAPTER 20 URBAN RENEWAL LAW

50-2018. DEFINITIONS. The following terms wherever used or referred to in this chapter, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(1) "Agency" or "urban renewal agency" shall mean a public agency created by section 50-2006, Idaho Code.

(2) "Municipality" shall mean any incorporated city or town, or county in the state.

(3) "Public body" shall mean the state or any municipality, township, board, commission, authority, district, or any other subdivision or public body of the state.

(4) "Local governing body" shall mean the council or other legislative body charged with governing the municipality.

(5) "Mayor" shall mean the mayor of a municipality or other officer or body having the duties customarily imposed upon the executive head of a municipality.

(6) "Clerk" shall mean the clerk or other official of the municipality who is the custodian of the official records of such municipality.

(7) "Federal government" shall include the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare. Provided however, this definition shall not apply to any agricultural operation, as defined in section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation or to any forest land as defined in section 63-1701(4), Idaho Code, absent the consent of the forest landowner, as defined in section 63-1701(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Deteriorating area" shall mean an area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or

inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use; provided, that if such deteriorating area consists of open land the conditions contained in the proviso in section 50-2008(d), Idaho Code, shall apply; and provided further, that any disaster area referred to in section 50-2008(g), Idaho Code, shall constitute a deteriorating area. Provided however, this definition shall not apply to any agricultural operation, as defined in section 22-4502(2), Idaho Code, absent the consent of the owner of the agricultural operation or to any forest land as defined in section 63-1701(4), Idaho Code, absent the consent of the forest landowner, as defined in section 63-1701(5), Idaho Code, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(10) "Urban renewal project" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

- (a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;
- (b) Demolition and removal of buildings and improvements;
- (c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, off-street parking facilities, public facilities or buildings and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this chapter in accordance with the urban renewal plan;
- (d) Disposition of any property acquired in the urban renewal area, including sale, initial leasing or retention by the agency itself, at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;
- (e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;
- (f) Acquisition of real property in the urban renewal area which, under the urban renewal plan, is to be repaired or

rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(11) "Urban renewal area" means a deteriorated area or a deteriorating area or a combination thereof which the local governing body designates as appropriate for an urban renewal project.

(12) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan:

(a) Shall conform to the general plan for the municipality as a whole except as provided in section 50-2008(g), Idaho Code; and

(b) Shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Related activities" shall mean:

(a) Planning work for the preparation or completion of a community-wide plan or program pursuant to section 50-2009, Idaho Code; and

(b) The functions related to the acquisition and disposal of real property pursuant to section 50-2007(d), Idaho Code.

(14) "Real property" shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, right and use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.

(15) "Bonds" shall mean any bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness, debentures or other obligations.

(16) "Obligee" shall include any bondholder, agents or trustees for any bondholders, or lessor demising to the municipality property used in connection with urban renewal, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the municipality.

(17) "Person" shall mean any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee, or other person acting in a similar representative capacity.

(18) "Area of operation" shall mean the area within the corporate limits of the municipality and the area within five (5) miles of such limits, except that it shall not include any area which lies within the territorial boundaries of another incorporated city or town or within the unincorporated area of the county unless a resolution shall have been adopted by the governing body of such other city, town or county declaring a need therefor.

(19) "Board" or "commission" shall mean a board, commission, department, division, office, body or other unit of the municipality.

(20) "Public officer" shall mean any officer who is in charge of any department or branch of the government of the municipality relating to health, fire, building regulations, or to other activities concerning dwellings in the municipality.

History:

[50-2018, added 1965, ch. 246, sec. 18, p. 600; am. 1970, ch. 103, sec. 1, p. 256; am. 1987, ch. 258, sec. 1, p. 525; am. 1987, ch. 259, sec. 4, p. 542; am. 1990, ch. 430, sec. 2, p. 1186; am. 2003, ch. 146, sec. 1, p. 420; am. 2006, ch. 310, sec. 1, p. 953; am. 2011, ch. 229, sec. 6, p. 625; am. 2011, ch. 317, sec. 4, p. 916.]

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TITLE 50 MUNICIPAL CORPORATIONS CHAPTER 20

URBAN RENEWAL LAW

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. The planning commission shall submit its written recommendations with respect to the proposed urban renewal plan to the local governing body within sixty (60) days after receipt of the plan for review. Upon receipt of the recommendations of the planning commission, or if no recommendations are received within said sixty (60) days, then without such recommendations, the local governing body may proceed with the hearing on the proposed urban renewal project prescribed by subsection (c) hereof.

(c) The local governing body shall hold a public hearing on an urban renewal project, after public notice thereof by publication in a newspaper having a general circulation in the area of operation of the municipality. The notice shall describe the time, date, place and purpose of the hearing, shall generally identify the urban renewal area covered by the plan, and shall outline the general scope of the urban renewal project under consideration.

(d) Following such hearing, the local governing body may approve an urban renewal project and the plan therefor if it finds that (1) a feasible method exists for the location of families who will be displaced from the urban renewal area in decent, safe and sanitary dwelling accommodations within their means and without undue hardship to such families; (2) the urban renewal plan conforms to the general plan of the municipality as a whole; (3) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities that may be desirable for neighborhood improvement, with special consideration for the health, safety and welfare of children residing in the general vicinity of the site covered by the plan; and (4) the urban

renewal plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise: Provided, that if the urban renewal area consists of an area of open land to be acquired by the urban renewal agency, such area shall not be so acquired unless (1) if it is to be developed for residential uses, the local governing body shall determine that a shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality; that the need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas; that the conditions of blight in the area and the shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime and constitute a menace to the public health, safety, morals, or welfare; and that the acquisition of the area for residential uses is an integral part of and essential to the program of the municipality, or (2) if it is to be developed for nonresidential uses, the local governing body shall determine that such nonresidential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under 42 U.S.C.

section 5121, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

(h) Any urban renewal plan containing a revenue allocation financing provision shall include the information set forth in section 50-2905, Idaho Code.

History:

[50-2008, added 1965, ch. 246, sec. 8, p. 600; am. 2011, ch. 317, sec. 3, p. 914.]

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TITLE 50 MUNICIPAL CORPORATIONS CHAPTER 29

LOCAL ECONOMIC DEVELOPMENT ACT

50-2903. DEFINITIONS. The following terms used in this chapter shall have the following meanings, unless the context otherwise requires:

(1) "Act" or "this act" means this revenue allocation act.

(2) "Agency" or "urban renewal agency" means a public body created pursuant to section 50-2006, Idaho Code.

(3) "Authorized municipality" or "municipality" means any county or incorporated city which has established an urban renewal agency, or by ordinance has identified and created a competitively disadvantaged border community.

(4) Except as provided in section 50-2903A, Idaho Code, "base assessment roll" means the equalized assessment rolls, for all classes of taxable property, on January 1 of the year in which the local governing body of an authorized municipality passes an ordinance adopting or modifying an urban renewal plan containing a revenue allocation financing provision, except that the base assessment roll shall be adjusted as follows: the equalized assessment valuation of the taxable property in a revenue allocation area as shown upon the base assessment roll shall be reduced by the amount by which the equalized assessed valuation as shown on the base assessment roll exceeds the current equalized assessed valuation of any taxable property located in the revenue allocation area, and by the equalized assessed valuation of taxable property in such revenue allocation area that becomes exempt from taxation subsequent to the date of the base assessment roll. The equalized assessed valuation of the taxable property in a revenue allocation area as shown on the base assessment roll shall be increased by the equalized assessed valuation, as of the date of the base assessment roll, of taxable property in such revenue allocation area that becomes taxable after the date of the base assessment roll, provided any increase in valuation caused by the removal of the agricultural tax exemption from undeveloped agricultural land in a revenue allocation area shall be added to the base assessment roll. An urban renewal plan containing a revenue allocation financing provision adopted or modified prior to July 1, 2016, is not subject to section 50-2903A, Idaho Code. For plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred.

(5) "Budget" means an annual estimate of revenues and expenses for the following fiscal year of the agency. An

agency shall, by September 1 of each calendar year, adopt and publish, as described in section 50-1002, Idaho Code, a budget for the next fiscal year. An agency may amend its adopted budget using the same procedures as used for adoption of the budget. For the fiscal year that immediately predates the termination date for an urban renewal plan involving a revenue allocation area or will include the termination date, the agency shall adopt and publish a budget specifically for the projected revenues and expenses of the plan and make a determination as to whether the revenue allocation area can be terminated before the January 1 of the termination year pursuant to the terms of section 50-2909(4), Idaho Code. In the event that the agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1 the agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the state tax commission and recommending the adoption of an ordinance for termination of the revenue allocation area by December 31 of the current year and declaring a surplus to be distributed as described in section 50-2909, Idaho Code, should a surplus be determined to exist. The agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho state tax commission as provided in section 63-215, Idaho Code. Upon notification of revenues sufficient to cover expenses as provided herein, the increment value of that revenue allocation area shall be included in the net taxable value of the appropriate taxing districts when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code.

(6) "Clerk" means the clerk of the municipality.

(7) "Competitively disadvantaged border community area" means a parcel of land consisting of at least forty (40) acres which is situated within the jurisdiction of a county or an incorporated city and within twenty-five (25) miles of a state or international border, which the governing body of such county or incorporated city has determined by ordinance is disadvantaged in its ability to attract business, private investment, or commercial development, as a result of a competitive advantage in the adjacent state or nation resulting from inequities or disparities in comparative sales taxes, income taxes, property taxes, population or unique geographic features.

(8) "Deteriorated area" means:

(a) Any area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence,

inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas.

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law.

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter.

(f) "Deteriorated area" does not mean not developed beyond agricultural, or any agricultural operation as defined in section 22-4502(1), Idaho Code, or any forest land as defined in section 63-1701(4), Idaho Code, unless the owner of the agricultural operation or the forest landowner of the forest land gives written consent to be included in the deteriorated area, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Facilities" means land, rights in land, buildings, structures, machinery, landscaping, extension of utility services, approaches, roadways and parking, handling and storage areas, and similar auxiliary and related facilities.

(10) "Increment value" means the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is a positive value.

(11) "Local governing body" means the city council or board of county commissioners of a municipality.

(12) "Plan" or "urban renewal plan" means a plan, as it exists or may from time to time be amended, prepared and approved pursuant to sections 50-2008 and 50-2905, Idaho Code, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Project" or "urban renewal project" or "competitively disadvantaged border areas" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

(a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;

(b) Demolition and removal of buildings and improvement;

(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, open space, off-street parking facilities, public facilities, public recreation and entertainment facilities or buildings and other improvements necessary for carrying out, in the urban renewal area or competitively disadvantaged border community area, the urban renewal objectives of this act in accordance with the urban renewal plan or the competitively disadvantaged border community area ordinance.

(d) Disposition of any property acquired in the urban renewal area or the competitively disadvantaged border community area (including sale, initial leasing or retention by the agency itself) or the municipality creating the competitively disadvantaged border community area at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;

(e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

(f) Acquisition of real property in the urban renewal area or the competitively disadvantaged border community area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities,

repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area or competitively disadvantaged border community area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities or where necessary to accomplish the purposes for which a competitively disadvantaged border community area was created by ordinance;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(14) "Project costs" includes, but is not limited to:

(a) Capital costs, including the actual costs of the construction of public works or improvements, facilities, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; and the clearing and grading of land;

(b) Financing costs, including interest during construction and capitalized debt service or repair and replacement or other appropriate reserves;

(c) Real property assembly costs, meaning any deficit incurred from the sale or lease by a municipality of real or personal property within a revenue allocation district;

(d) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(e) Direct administrative costs, including reasonable charges for the time spent by city or county employees in connection with the implementation of a project plan;

(f) Relocation costs;

(g) Other costs incidental to any of the foregoing costs.

(15) "Revenue allocation area" means that portion of an urban renewal area or competitively disadvantaged border community area where the equalized assessed valuation (as shown by the taxable property assessment rolls) of which the local governing body has determined, on and as a part of an urban renewal plan, is likely to increase as a result of the initiation of an urban renewal project or competitively disadvantaged border community area. The base assessment roll or rolls of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality.

(16) "State" means the state of Idaho.

(17) "Tax" or "taxes" means all property tax levies upon taxable property.

(18) "Taxable property" means taxable real property, personal property, operating property, or any other tangible

or intangible property included on the equalized assessment rolls.

(19) "Taxing district" means a taxing district as defined in section 63-201, Idaho Code, as that section now exists or may hereafter be amended.

(20) "Termination date" means a specific date no later than twenty (20) years from the effective date of an urban renewal plan or as described in section 50-2904, Idaho Code, on which date the plan shall terminate. Every urban renewal plan shall have a termination date that can be modified or extended subject to the twenty (20) year maximum limitation. Provided however, the duration of a revenue allocation financing provision may be extended as provided in section 50-2904, Idaho Code.

History:

[50-2903, added 1988, ch. 210, sec. 3, p. 393; am. 1990, ch. 430, sec. 4, p. 1190; am. 1994, ch. 381, sec. 2, p. 1223; am. 1996, ch. 322, sec. 54, p. 1081; am. 2000, ch. 275, sec. 1, p. 893; am. 2002, ch. 143, sec. 2, p. 396; am. 2011, ch. 317, sec. 6, p. 918; am. 2016, ch. 349, sec. 3, p. 1017.]

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CAPITAL CITY DEVELOPMENT CORPORATION

Gateway East Urban Renewal Area Eligibility Report

FINAL REPORT | August 8, 2018



CAPITAL CITY DEVELOPMENT CORPORATION
GATEWAY EAST URBAN RENEWAL AREA
ELIGIBILITY REPORT

August 8, 2018

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CAPITAL CITY DEVELOPMENT CORPORATION
Gateway East Urban Renewal Area Eligibility Study

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1. Executive Summary

SB Friedman Development Advisors ("SB Friedman") has prepared this preliminary Eligibility Study (the "Study") for the proposed Gateway East Urban Renewal Area ("Study Area") for the Capital City Development Corporation ("CCDC" or "Agency") pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code (the "Law"), and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code (the "Act"), collectively the "Urban Renewal Law."

Urban Renewal Law provides for different eligibility factors and required findings and tests for Improved Land (defined below) versus Open Land (or "Open Area")(defined below). It is our understanding that Open Land under the Urban Renewal Law means agricultural or forest lands and/or a predominately undeveloped, open area. In part due to the large number of undeveloped or partially developed areas within the Study Area, there are a handful of undeveloped parcels which could be construed as either Open Land or Improved Land. In order to definitively demonstrate the Study Area is eligible for designation as an Urban Renewal Area ("URA"), SB Friedman divided the parcels into the following three classifications:

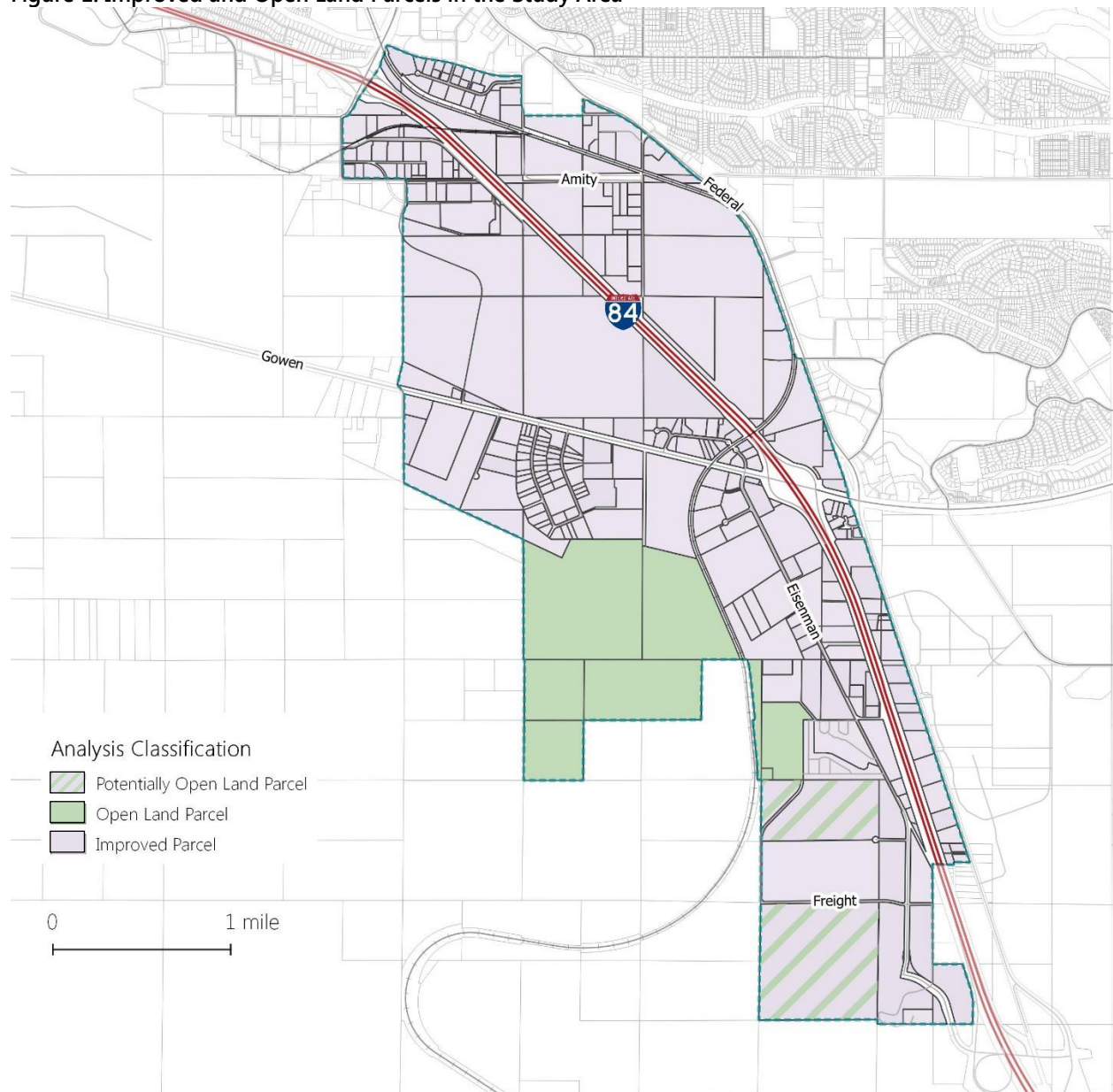
- **Improved Parcels** | includes both:
 - Developed, Improved Parcels | Developed parcels within existing industrial parks or along the Study Area commercial corridors; and
 - Undeveloped, Improved Parcels | Undeveloped parcels in existing industrial parks, or adjacent to existing development.
- **Open Land Parcels (OLPs)** | Large undeveloped, vacant parcels without street or utility access.
- **Potentially Open Land Parcels (POLPs)** | Undeveloped parcels with lot characteristics comparable to those of an Open Land parcel but which have street access or utilities.

For analysis purposes, POLPs have been included in both the Improved Parcels and OLP categories. Thus:

- 1) The Improved analysis includes all Improved Parcels and POLPs.
- 2) The Open Land analysis includes all POLPs and OLPs.

Figure 1 demarcates parcels as Improved or Open Land and calls out the three POLPs included in both analyses.

Figure 1: Improved and Open Land Parcels in the Study Area



Source: CCDC, SB Friedman, City of Boise

Summary Conclusions

This Study documents the conditions in the Study Area which support the finding that the Study Area is “deteriorating.”

IMPROVED - SB Friedman finds the following three criteria for a deteriorating area to be meaningfully present and reasonably distributed throughout Improved Parcels within the Study Area:

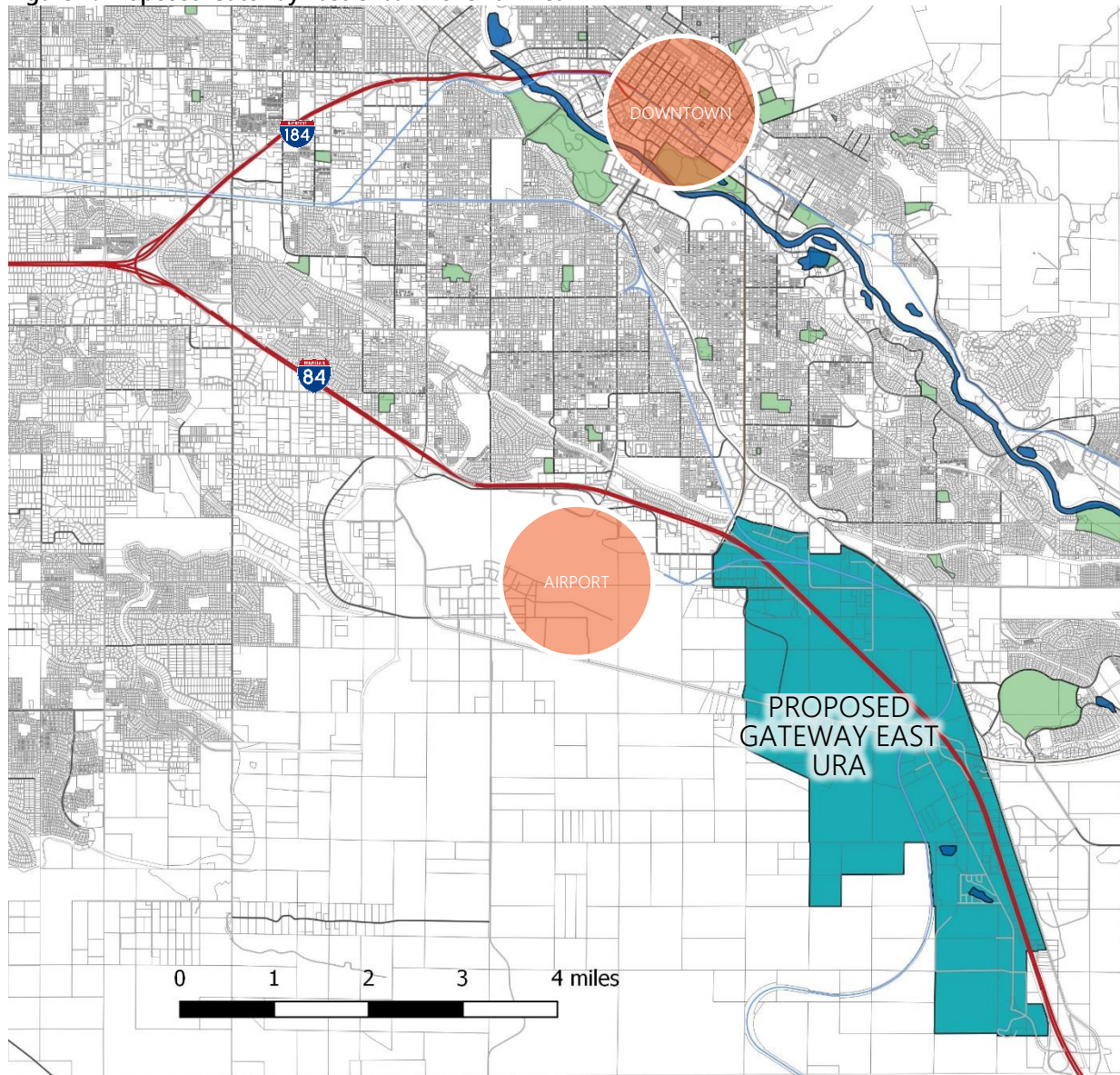
1. The presence of a substantial number of deteriorated or deteriorating structures;
2. Predominance of defective or inadequate street layout; and
3. Deterioration of site or other improvements.

OPEN LAND - SB Friedman also found the Obsolete Platting criterion for a deteriorating area to be meaningfully present and reasonably distributed throughout Open Land parcels within the Study Area.

The finding that the Study Area is eligible must be made by the City Council of the City of Boise (the “City Council”) as part of the approval process for a URA.

Upon adoption of a resolution finding that the Study Area is a deteriorating area, CCDC will create an Urban Renewal Plan (the “Plan”) for the proposed district. Following plan approval by the CCDC Board of Commissioners, the Boise City Planning and Zoning Commission (the “Commission”) would review the Plan and decide on its conformance with the City’s Comprehensive Plan. If the Plan is in conformance, the City Council would then hold a public hearing prior to which all the affected taxing entities can provide comment on the proposed Plan. City Council then must elect to either approve the Plan and create a corresponding Revenue Allocation Area, by ordinance, or elect not to approve the proposed Gateway URA.

Figure 2: Proposed Gateway East Urban Renewal Area



Source: CCDC, SB Friedman, City of Boise

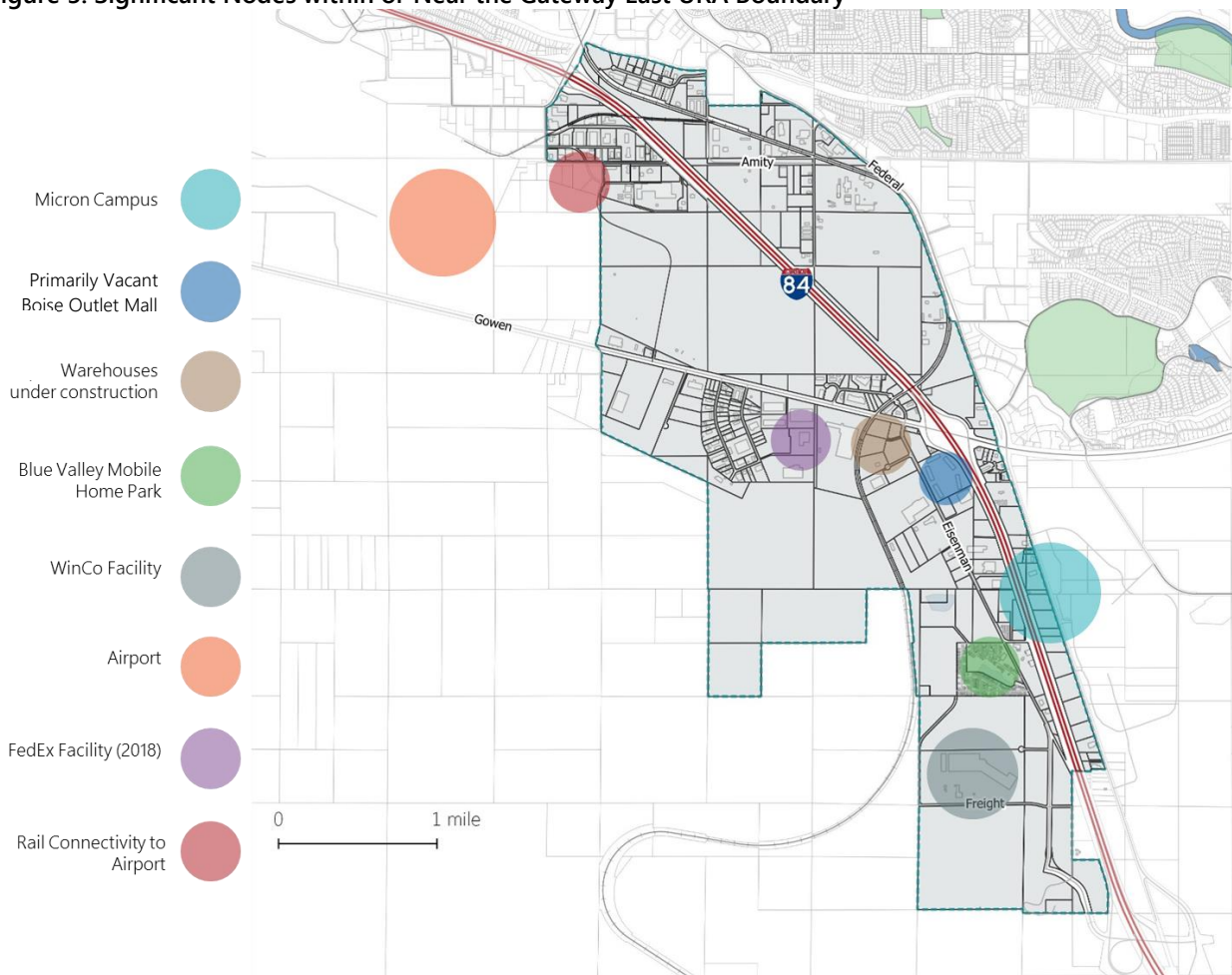
2. Study Area Background

Introduction

The Study Area encompasses approximately 3,260 acres of land along the Interstate 84 ("I-84") corridor. Portions of the Study Area have been previously considered for URA eligibility. In 2011, the City adopted Blueprint Boise – a comprehensive plan to guide development. Blueprint Boise included more specific planning and development goals for smaller "Planning Areas." The Study Area is located in parts of two Planning Areas, the Airport Planning Area on the southwest side of I-84 and the Southeast Planning Area to the east side of I-84.

Within the Study Area there are 346 parcels, approximately half of which are developed industrial parcels. The remaining Improved Parcels with vertical development have institutional, hospitality or retail land uses.

Figure 3: Significant Nodes within or Near the Gateway East URA Boundary



Source: SB Friedman, City of Boise, CCDC

There are several significant nodes within the Study Area. The majority of the northwest portion of the Study Area borders the Boise Airport. The southwest corner of the Study Area is primarily undeveloped or Open Land, adjacent to an existing at-grade rail line managed by Watco Companies. The rail line extends into the north end of the Study Area and is frequently adjacent to active industrial properties. Major industrial tenants include FedEx, WinCo and Shopko.

Blueprint Boise established the following planning standards/policies to work toward within the Airport and Southeast Planning Areas in order to help address some of the larger planning challenges within the area:

- Accommodate a range of manufacturing and open-storage uses in industrial areas east, west and south of the Boise Airport (AP-CNN 1.2a);
- Encourage industrial and airport-related development south of the third runway in conjunction with the extension of Lake Hazel Road and Orchard Street and the construction of a secondary road network (AP-CNN 1.2b);
- Limit commercial uses in areas designated for industrial to accessory retail services intended to serve employees in the immediate area (AP-CNN 1.4);
- Recognize the Boise Airport as a major gateway to Boise and the State of Idaho (AP-NC 1);
- Reserve the area surrounding current Micron facilities for future high-tech industrial expansion (SE-CNN 1.2);
- Protect the Federal Way industrial area for heavy industrial uses (SE-CNN 1.3); and
- Explore opportunities to provide transit service to the Micron facility and other activity centers in the Southeast (SE-C 1.2).

Nearly all of the Study Area has a future land use designation of industrial. There are a limited number of parcels near the Gowen/Eisenman intersection designated as commercial which are adjacent to the I-84 interchange.

Reasons for Selection of the Project Area

The City is interested in developing and/or redeveloping portions of the Study Area to facilitate the development of light industrial, research and development, technology and manufacturing uses, as well as related commercial uses. Recent industrial development has primarily occurred in adjacent communities despite the availability of land within the Study Area. A URA could provide the funding required to initiate the key capital improvements to attract development on sites within the Study Area.

The Study Area is also of interest for a URA because of its position as the gateway to Boise from the southeast. The City has expressed an interest in creating a more attractive gateway. City gateways should provide visual cues that convey to passengers an entrance or departure from a municipality. Gateways have the added benefit of increasing city identity which can build awareness of development opportunities through the city periphery.

Previous Eligibility Initiatives

In 2001, an eligibility study was conducted for the southeast end of the current Study Area. The report concluded that the Study Area was deteriorated/deteriorating and eligible for a URA. However, the City Council did not elect to approve the URA at that time.

Leland Consulting Group also conducted a market study for a previous proposed URA boundary in the early 2000s. That study found that the region offers a competitive advantage for several manufacturing industries in addition to transportation and recreation sectors. The report also concluded that the Study Area was most suitable for manufacturing, warehousing and distribution uses but noted the Study Area lacks the infrastructure and developable lots sized appropriately for new development.

Following the market study, Idaho Power led a Site Readiness Evaluation effort for portions of the Study Area. That study reaffirmed development limitations mentioned in the market report, including:

- Large sites with varying degrees of access to the Watco rail line;
- A lack of understanding of the costs associated with improving rail access for new developments;
- High costs required to expand natural gas and water utilities; and
- The difficulty of development adjacent to an airport given site restrictions.

While portions of the Study Area have seen development since these studies were completed, there are large portions of the Study Area which still have similar development limitations. In addition, the envisioned 'gateway' concept has yet to be realized despite rapid growth elsewhere in Boise.

3. Existing Conditions

Existing Land Use within the Study Area

The Study Area is a roughly 3,260-acre area with portions located in both the Airport and Southeast planning areas. The City, through planning documents such as Blueprint Boise and the Airport Master Plan, has expressed an interest in the area continuing to serve as a major industrial hub. The intent is to expand industrial capacity in the Study Area, allowing for a limited amount of supplemental office and retail growth, as well. The Airport Master Plan states there should be an effort to “avoid encroachment from non-industrial uses, such as residential, to protect Boise Airport operations and minimize future conflicts” (AP-5).

SB Friedman conducted fieldwork to document current land uses within the Study Area. Major land uses, and subcategories where appropriate, are as follows:

IMPROVED

1. **Industrial/Flex** – as the Study Area is predominately industrial, SB Friedman further categorized industrial sites into the following three categories:
 - a. Developed – 174 parcels have buildings or structures typical of industrial land uses; commonly distribution facilities, manufacturing plants or storage sheds. The Study Area also includes several truck repair facilities.
 - b. Parking – 33 parcels exclusively serve as parking. The parking parcels are primarily private parking for outdoor truck and vehicle storage, but also include more traditional parking lots.
 - c. Undeveloped Land – 92 parcels are unimproved sites with no private investment to date, likely to be developed as industrial.
2. **Office** – five parcels are currently used as office disassociated from an industrial use.
3. **Hotel** – there is one hotel within the Study Area on a single parcel.
4. **Public/Private Institutional** – six parcels are designated for institutional uses; a recently developed fire station, several City owned parcels near the Boise Airport and a substation on Gowen Road.
5. **Retail** – Retail uses are currently located on 13 parcels. Retail has been recently developed at the north end of Eisenman Road and appears to be performing well. However, the Boise Factory Outlet on S Eisenman Road is the largest retail center and is predominately vacant.
6. **Residential** – three parcels have residential land uses including the 200-unit Blue Valley mobile home park.
7. **Right-of-Way** – eight parcels are right-of-way (ROW). For the purpose of our analysis, ROW parcels were excluded from all percentage calculations.
8. **POLP** – three parcels are POLPs located on the west side of the Study Area near the rail line, as addressed in greater detail above.

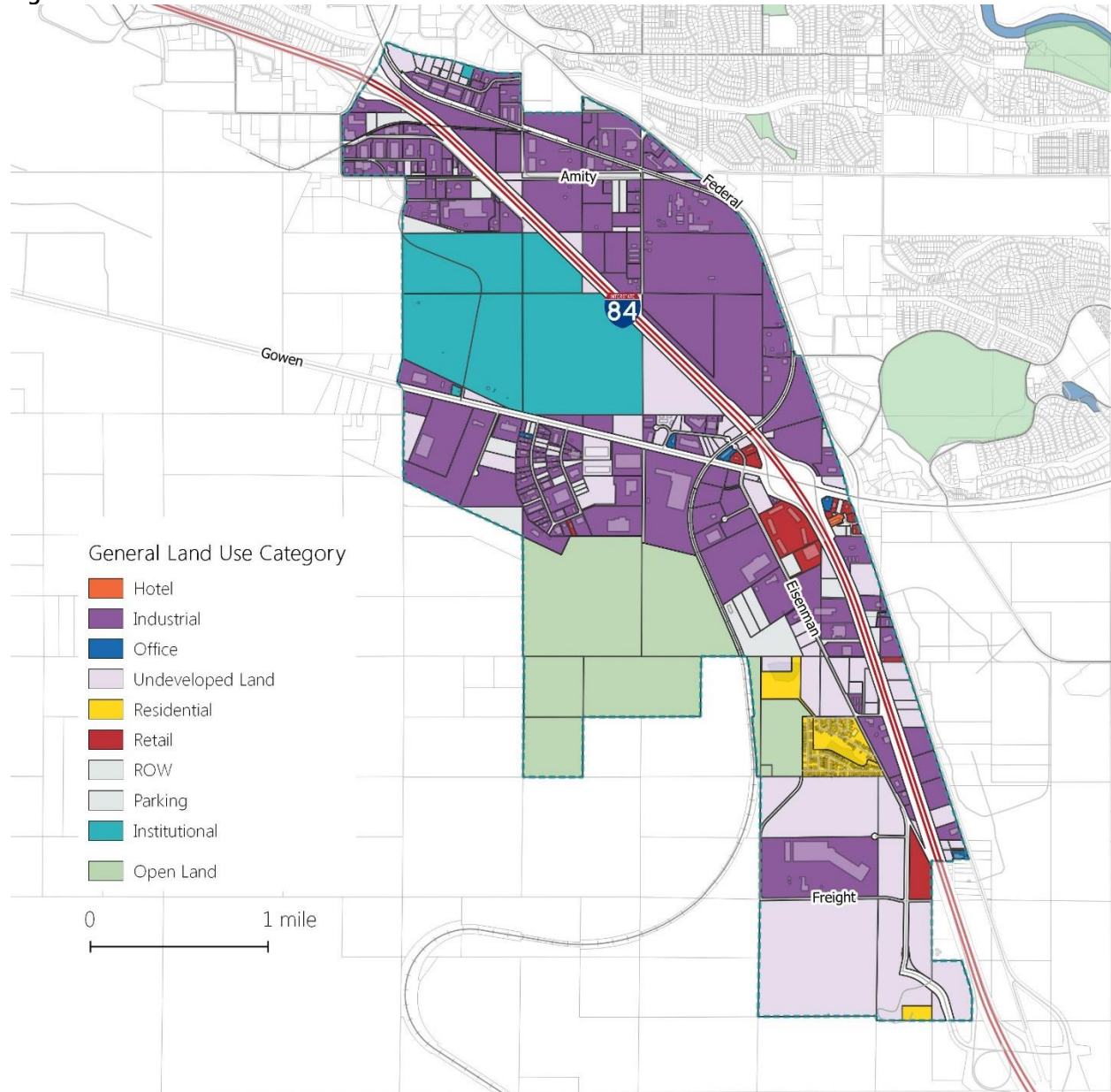
OPEN LAND

1. **POLP** – three parcels are POLPs, as addressed above.
2. **OLP** – eight parcels on the west side of the Study Area were classified as Open Land, as addressed above.

Idaho Code Sections 50-2018(8) and 50-2903(8)(f) state that, to be included within a URA, parcels involving “agricultural operations” as defined in Idaho Code Section 22-4502(11) or “forest lands” as defined in Idaho Code Section 63-1701(4) require the consent of the property owner. Parcels within the Open Land classification

do not appear to be actively used as an agricultural operation. However, SB Friedman assumes CCDC will either [1] ensure the absence of an agricultural operation or [2] acquire the necessary landowner consent for any land classified as an agricultural operation. Figure 4 maps observed land use.

Figure 4: SB Friedman Observed Land Use



Source: CCDC, City of Boise, SB Friedman

Improved Parcels

REQUIRED FINDINGS AND DEFINITION OF DETERIORATED/DETERIORATING

Idaho Code Section 50-2008(a) states that “[an] urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.”

The Urban Renewal Law includes definitions for a deteriorated area or a deteriorating area. These definitions include lists of criteria, one or more of which must be met in an area for it to qualify for an urban renewal project. These criteria are in Idaho Code Sections 50-2018(8) and (9) and Section 50-2903(8) and are listed below.

1. Deteriorated Area

Idaho Code Section 50-2018(8) and Idaho Code Section 50-2903(8)(a) define a deteriorated area as an area in which there is a predominance of buildings or improvements, whether residential or non-residential, which by reasons of:

- a) Dilapidation;
- b) Deterioration;
- c) Age or obsolescence;
- d) Inadequate provision for ventilation, light, air, sanitation or open spaces;
- e) High density of population and overcrowding;
- f) Existence of conditions which endanger life or property by fire and other causes; or
- g) Any combination of such factors;

is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety morals or welfare.

2. Deteriorating Area

Idaho Code Section 50-2018(9) and Idaho Code Section 50-2903(8)(b) define a deteriorating area as one, which by reason of:

- a) The presence of a substantial number of deteriorated or deteriorating structures;
- b) Predominance of defective or inadequate street layout;
- c) Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- d) Insanitary or unsafe conditions;
- e) Deterioration of site or other improvements;
- f) Diversity of ownership;
- g) Tax or special assessment delinquency exceeding the fair value of the land;
- h) Defective or unusual conditions of title;
- i) Existence of conditions which endanger life or property by fire and other causes; or
- j) Any combination of such factors;

substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare in its present condition and use.

EVIDENCE OF A DETERIORATING AREA

Based on our preliminary research, deterioration of site improvements appears very close to meeting the “predominance” standard required for a Deteriorated Area. However, given the marginal nature of this preliminary finding, we have elected to pursue the Deteriorating Area eligibility finding in this Study. Of the nine eligibility factors for a Deteriorating Area, we have identified three to be meaningfully present and reasonably distributed within the Study Area. We have also identified another three criteria (faulty lot layout in relation to size, adequacy, accessibility or usefulness; insanitary or unsafe conditions; and conditions which endanger life or property by fire and other causes) to be present within the Study Area, however not present to our standard of meaningfully present and reasonably distributed. Each of the meaningfully present criteria and evidence are detailed below.

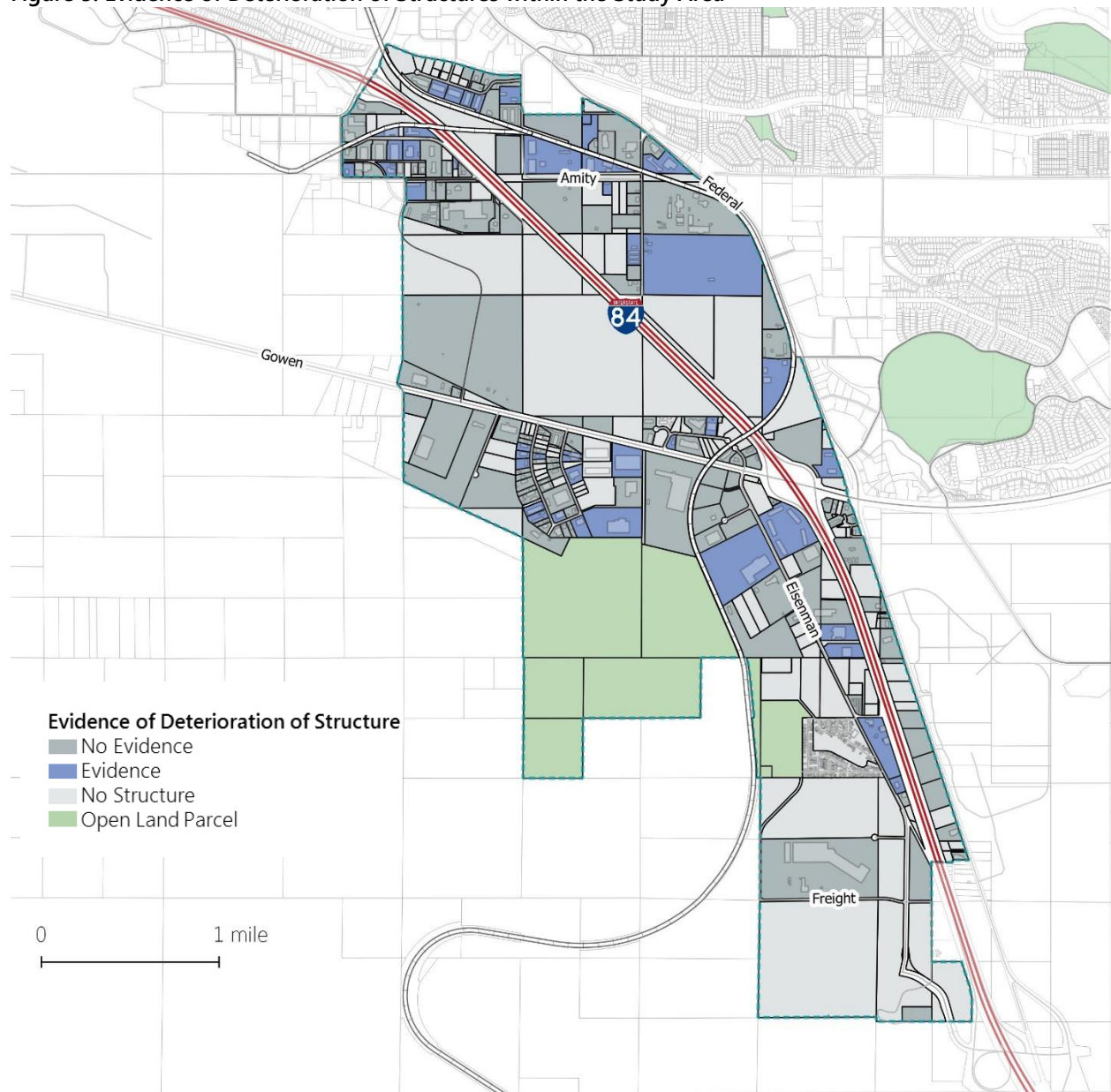
1. A SUBSTANTIAL NUMBER OF DETERIORATED OR DETERIORATING STRUCTURES

In order to evaluate deterioration of structures within the Study Area, fieldwork was conducted on a parcel by parcel basis. To be identified as a “deteriorating” structure, a structure must have shown deterioration beyond issues that could be remedied with routine maintenance. Common factors SB Friedman found to make the determination that a structure is deteriorating included:

- Fascia damage
- Holes in siding
- Damaged or missing shingles
- Cracked or damaged windows
- Broken foundation
- Significant water damage

Of the 179 parcels with at least one structure observed on site in the Study Area, 53 (30%) exhibited signs of deterioration. **Figure 5** below highlights the parcels on which a deteriorating structure is located.

Based on field evidence, we find deteriorating structures to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, the Study Area meets the urban renewal eligibility standard of “a substantial number of deteriorated or deteriorating structures.”

Figure 5: Evidence of Deterioration of Structures within the Study Area

Source: CCDC, City of Boise, SB Friedman

2. PREDOMINANCE OF DEFECTIVE OR INADEQUATE STREET LAYOUT

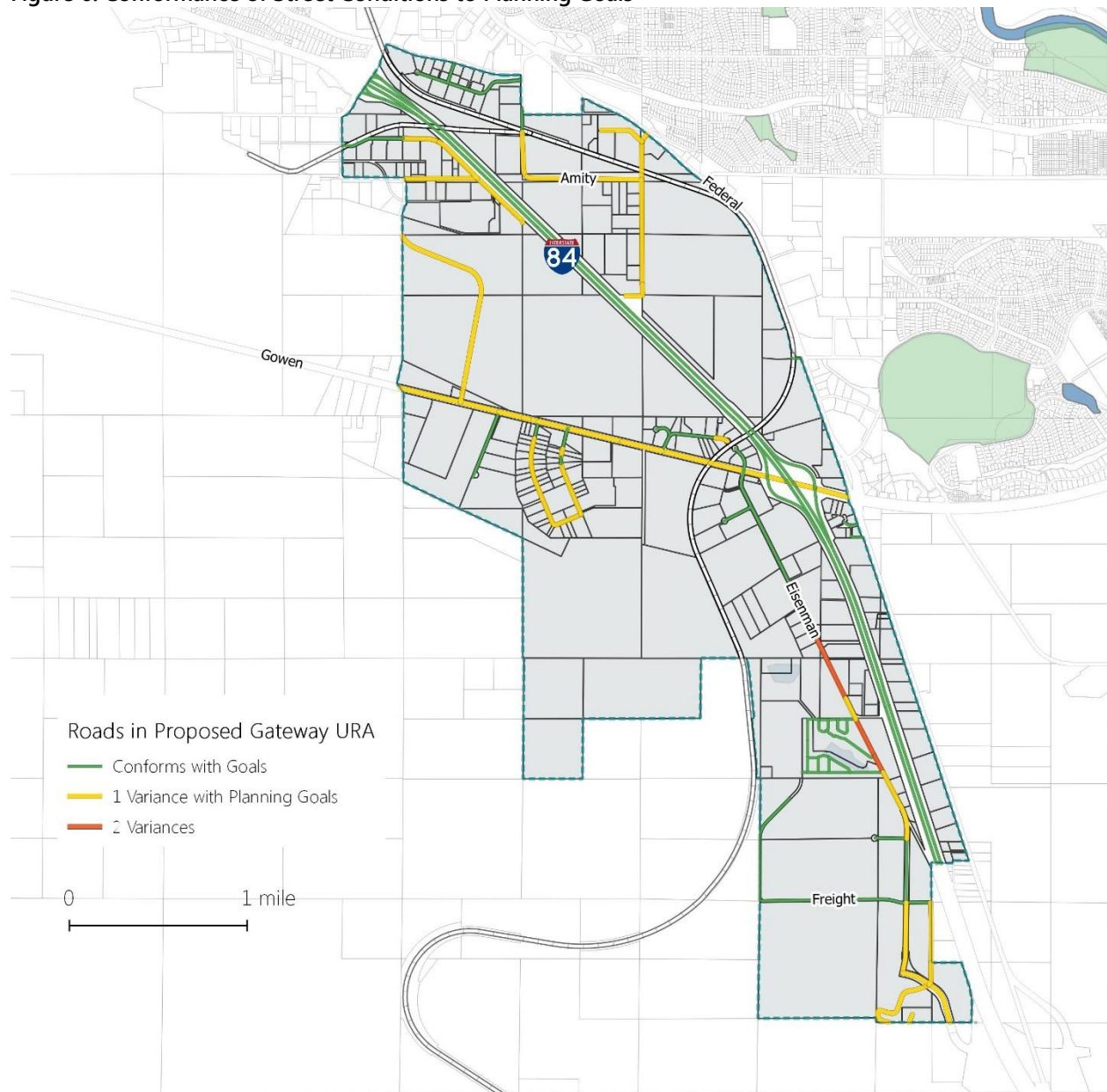
A finding of predominance of a defective or inadequate street layout can be made based on an evaluation of three criteria: the overall condition of the existing street layout, the appropriateness of such a layout, and overall connectivity of streets within the Study Area.

There are over 20 miles of roadway within the Study Area, which generally fall into three categories: interstate, industrial arterial and industrial collector/local roads. Streets in Boise are predominately controlled by the Ada County Highway District (ACHD). Thus, in order to evaluate whether the streets in the Study Area were inadequate or defective, we compared current roadway conditions against ACHD standards. The 2009 Livable

Street Design Guide (the "2009 Report") prepared by the ACHD articulates street guidelines for each of the major road typologies. For the purpose of evaluating the adequacy of street layout in the Study Area, SB Friedman compared each street segment in the Study Area against the 2009 Report standards by type:

1. **Industrial Arterial Roads.** Roads expected to be posted for a maximum of 45 miles per hour (MPH) with two lanes in each direction plus a center lane. Sidewalks should be required on at least one side of the road.
2. **Industrial Collector/Local Roads.** Speed limit should be posted for a maximum of 35 MPH, with one lane in each direction and sidewalks on at least one side of the road.

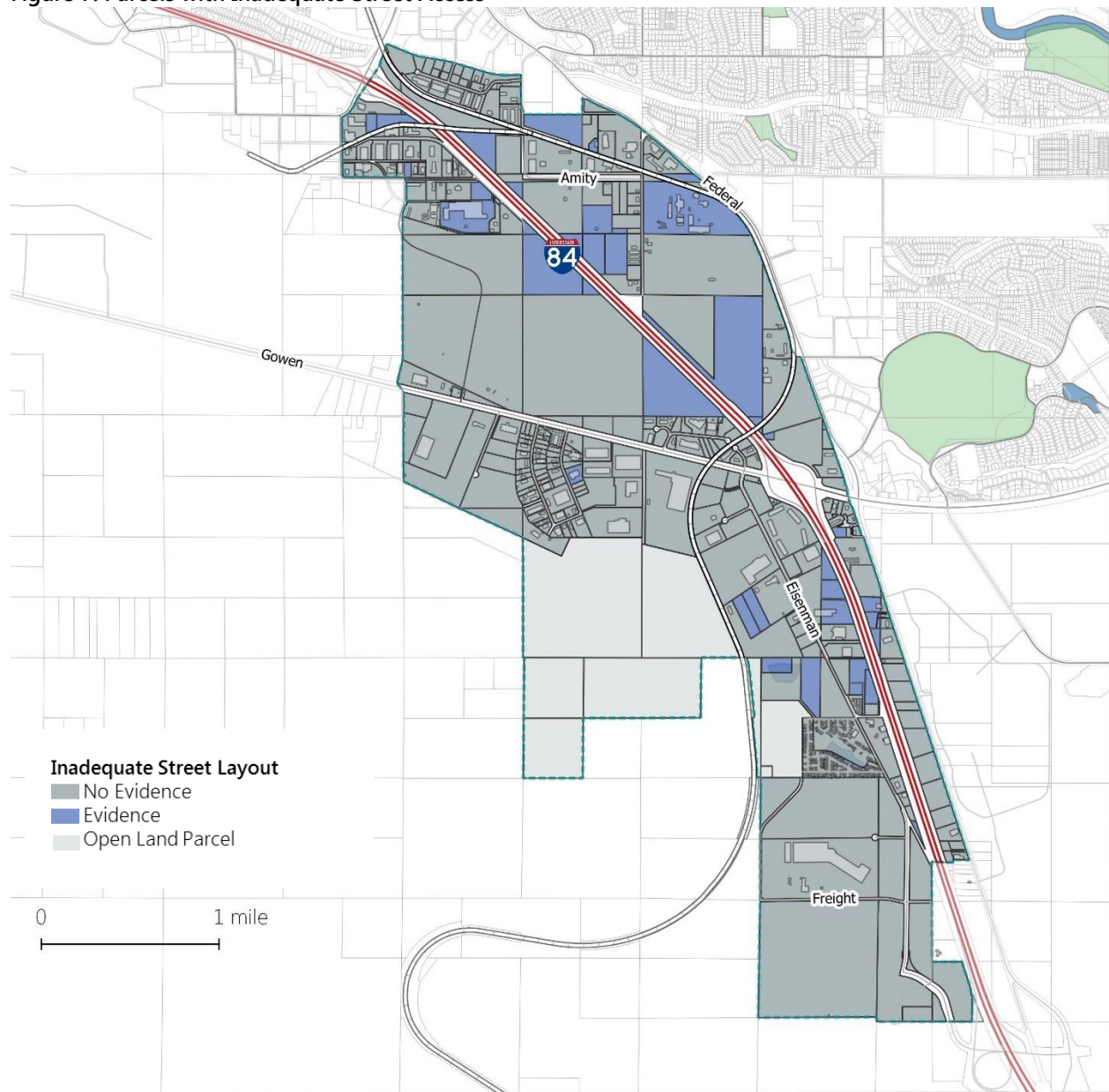
We analyzed all the linear feet of roadway within the Study Area and evaluated them against policy guidance. We have assumed that all interstate road segments conform to City and State planning goals.

Figure 6: Conformance of Street Conditions to Planning Goals

Source: ACHD, CCDC, City of Boise, SB Friedman

SB Friedman found that only 65% of the linear feet met both the road width and sidewalk availability planning goals articulated in the 2009 Report. Additionally, 26% of the street length is lacking a sidewalk on either side of the road and 11% of the street length is not adequately wide enough to accommodate industrial uses on the road typology. **Figure 6** above is a map displaying each of the street segments with conformance to planning goals symbolized.

Predominance of inadequate street layout was also evaluated on a parcel by parcel basis. Parcels without access to public roads within the Study Area are commonly the result of being located adjacent to I-84 or only accessible through another private parcel. Of the 330 improved parcels included in the analysis, 48 (15%) have inadequate street access. Parcels without proper access to public streets are noted in **Figure 7**.

Figure 7: Parcels with Inadequate Street Access

Source: CCDC, City of Boise, SB Friedman

SB Friedman finds inadequate street layout to be meaningfully present and reasonably distributed throughout the Study Area. The finding is based on evidence of unmet street design standards across 35% of the linear street length and lack of connectivity to 15% of the parcels within the Study Area. Therefore, the Study Area meets the urban renewal eligibility standard of “predominance of defective or inadequate street layout.”

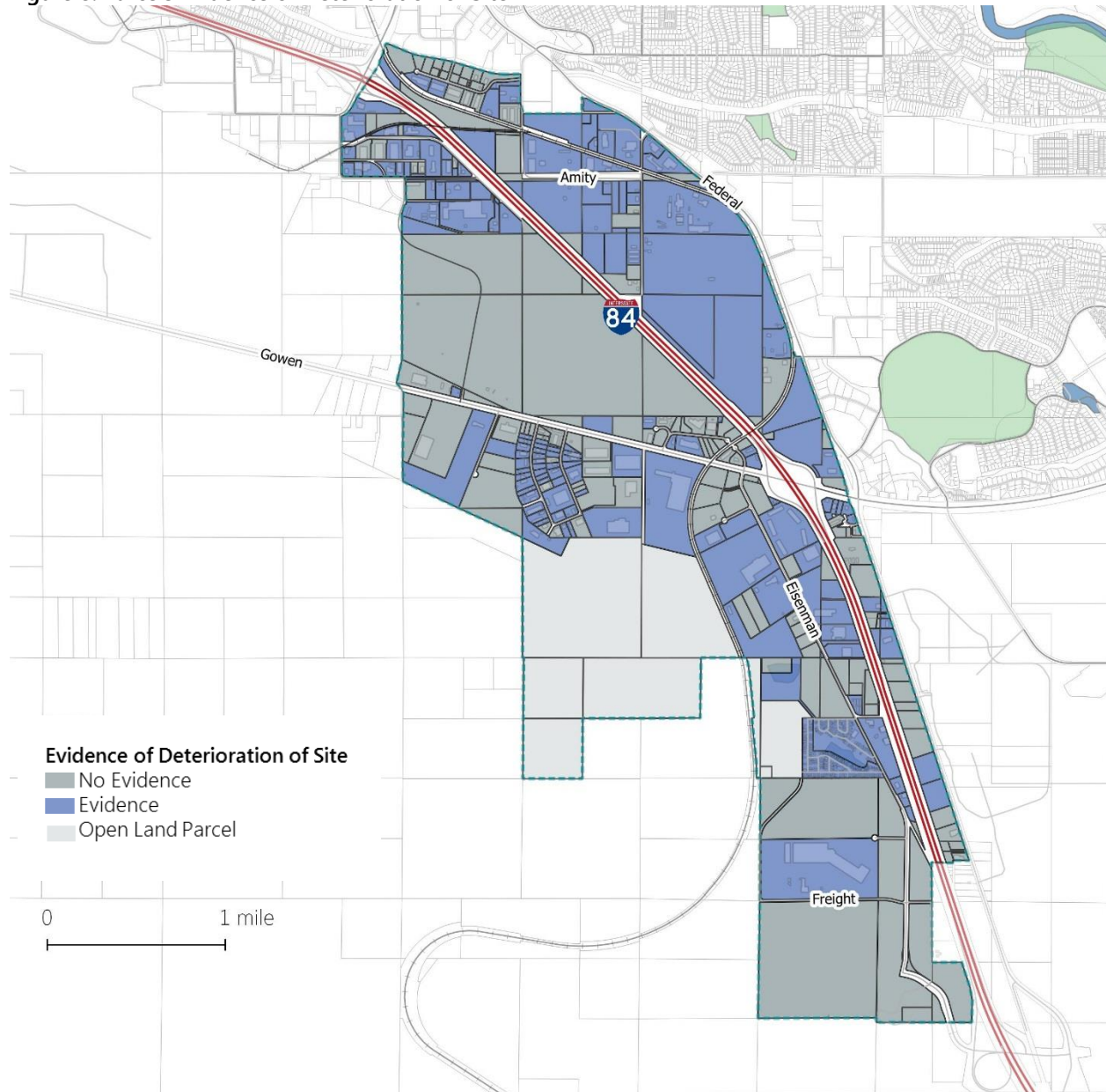
3. DETERIORATION OF SITE OR OTHER IMPROVEMENTS

Parcels were found to be deteriorating if issues requiring repairs beyond normal maintenance were observed. The most commonly observed findings include the following:

- Cracked pavement or sidewalks
- Fencing deterioration (e.g., rot, missing panels)
- Lots which require extensive site improvements (e.g., unpaved/unkept gravel parking lots)
- Lack of – or damaged – physical infrastructure (e.g., curbs, sidewalks, paving)
- Deterioration of the rail line intersecting the parcel

Of the 330 improved parcels in the Study Area, 166 (50%) exhibited site deterioration. **Figure 8** shows the distribution of parcels identified as exhibiting site deterioration.

Figure 8: Parcels Evidence of Deterioration of Site



Source: CCDC, City of Boise, SB Friedman

SB Friedman further explored the deterioration of the Study Area by evaluating railroad crossings on a district-wide basis in addition to the parcel-by-parcel basis. There are 21 railroad crossings within the Study Area. According to a 2003 COMPASS Rail Corridor Evaluation Study, all non-concrete public crossings were planned to be replaced with safer, more durable concrete panels. **Figure 9** and **Figure 10** illustrate the difference between unimproved (asphalt) and improved (concrete panel) railroad crossings in the Study Area.

Figure 9: Unimproved Railroad Crossing



Figure 10: Improved Railroad Crossing



Source: SB Friedman

Of the 21 railroad crossings in the Study Area, 11 are unimproved without concrete panel crossings; indicating a majority remain deteriorating and in need of replacement.

Based on field evidence of individual parcels and an analysis of railroad upgrades, we find site deterioration to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, the Study Area meets the urban renewal eligibility standard of “deterioration of site or other improvements.”

OVERALL CRITERIA CONCLUSIONS

As described above, three of the nine potential criteria for finding a ‘deteriorating area’ were found present within the Study Area:

1. The presence of a substantial number of deteriorated or deteriorating structures;
2. Predominance of defective or inadequate street layout; and
3. Deterioration of site or other improvements.

In addition to the findings of one or more eligibility factor, Urban Renewal Law requires that this factor(s) result in adverse consequences for the Study Area. The next section addresses this aspect of URA eligibility.

Improved Parcels

ECONOMIC UNDERUTILIZATION: OTHER EVIDENCE OF A DETERIORATING AREA

Urban Renewal Law requires that a two-part test be passed to establish eligibility. The first part requires the finding of at least one eligibility factor – of the nine possible – be present within the Study Area. As noted above, SB Friedman requires for a factor to be found present, it must be meaningfully present and reasonably distributed throughout the Study Area. The second requirement for determining eligibility is demonstrating

the finding of deterioration also “substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public.”

SB Friedman evaluated the economic and social liability impacts of the Study Area by analyzing vacancy and underdevelopment of parcels within the Study Area and evaluating development inhibitors.

ECONOMIC & SOCIAL LIABILITY

In order to assess whether the Study Area represents an economic liability, we analyzed parcel underutilization. Underutilization of parcels were considered for both undeveloped land and currently vacant buildings:

1. Undeveloped Land within the Study Area

Of the 330 parcels included in the improved analysis, 101 have no private development and limited public infrastructure. The majority of those parcels are in platted industrial subdivisions and are either currently on the market or assumed to be available for sale/development in the future. There are two characteristics of the undeveloped parcels:

- **Parcels which are within existing industrial parks** | There are 92 parcels which are generally within existing industrial parks and are reasonably sized for development. These parcels are likely undeveloped because of lack of necessary utilities or market strength.
- **Parcels which are in primarily undeveloped areas** | There are 9 parcels which have limited access and/or are not reasonably sized for industrial development. These parcels are also predominately not connected to utilities and face significant challenges for development.

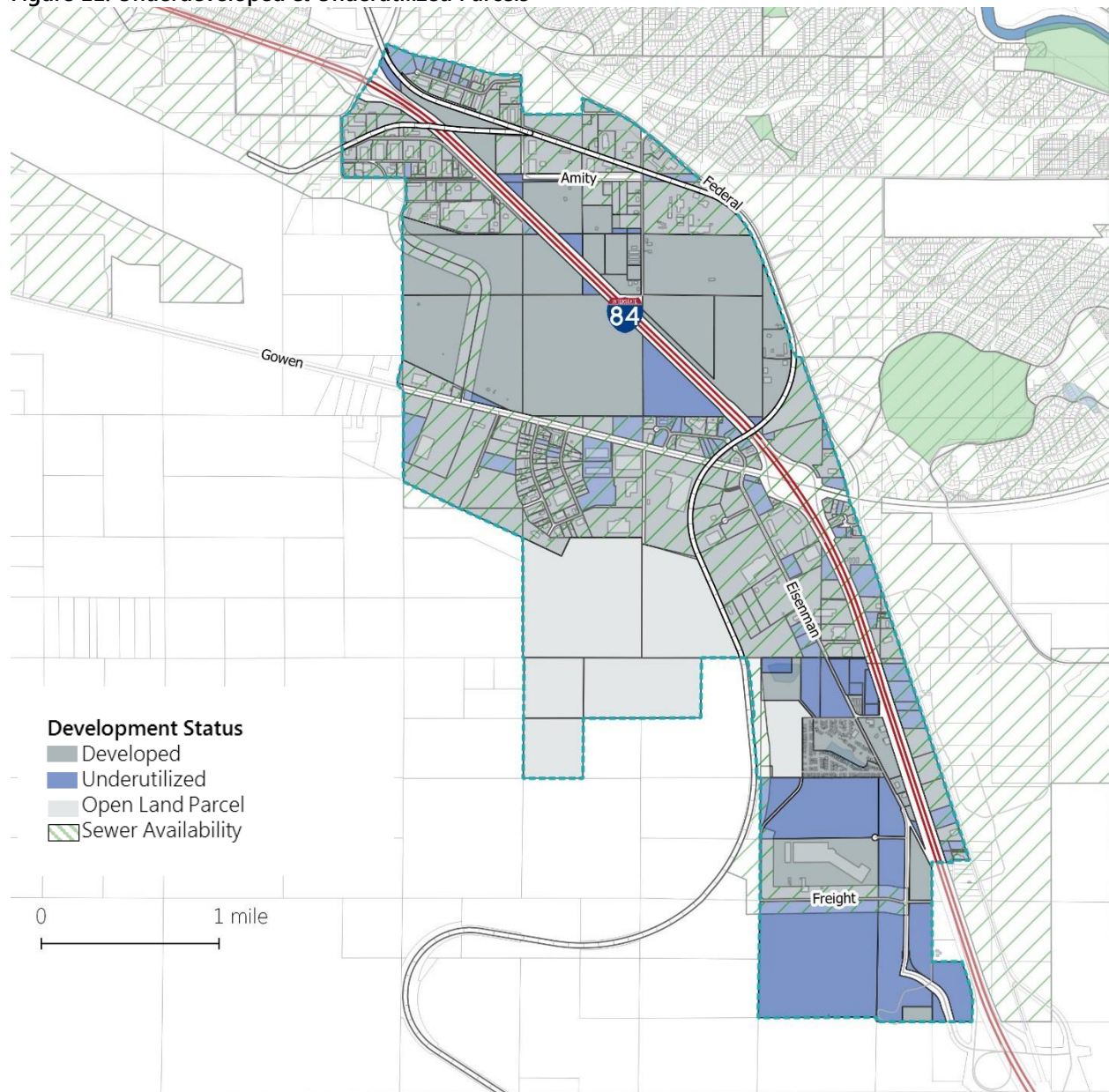
The large undeveloped areas have proven to be a significant development challenge even as investor interest has risen in Boise over the last five years. Investors are seeking development-ready sites in well-performing corridors. Further preparing undeveloped property by providing access to sewer and other utilities can help close development deals and attract investors. SB Friedman found that 22 of the parcels (22%) are considered outside of the city sewer availability region. The parcels without sewer availability account for 24% of the developable land area.

2. Substantially Vacant Buildings within the Study Area

A significant redevelopment challenge within the Study Area is high vacancy (>50%) of the Boise Outlet Mall, which has experienced a 38% reduction in taxable value over the last 15 years. The 22-acre site is the only significant retail agglomeration within the Study Area and has seen a steady decline in value. When listed for sale in 2015, the Boise Outlets site was marketed for either government, call center, or retail uses, or for total redevelopment to potential buyers.

Industrial occupancy remains strong within the Study Area. There are a handful of properties currently leasing space, however that is expected in normal market.

Figure 11 on the following page includes all parcels considered underdeveloped with a sewer accessibility overlay to convey the lack of utilities available on large development sites throughout.

Figure 11: Underdeveloped & Underutilized Parcels

Source: City of Boise, CCDC, SB Friedman

SB Friedman finds the Study Area to be an economic liability due to the high percentage of underutilized parcels and lack of connectivity to utilities required for development.

Our research indicates that key aspects of the built environment (parcel size and condition, street network and access to utilities) are inconsistent with the planning goals and strategies the City has articulated for the Study Area. It is important to continue to work toward the City's vision for the Study Area – to create a substantial industrial corridor in Boise, which will serve as an identifiable gateway from the southeast.

In addition, the desired street network is currently incomplete within the Study Area. While Gowen and Eisenman Roads provide access to large industrial corridors, the City has planned to expand development

capacity with the extension of Lake Hazel Road through the Study Area for nearly two decades. An ACHD Alignment Study for the Lake Hazel Expansion suggested the new throughway could facilitate “industrial uses north of the Lake Hazel Road corridor and residential or mixed-use development south of the corridor.” Despite the support of multiple governmental/planning agencies, including ACHD, COMPASS and the City of Boise the Lake Hazel Expansion is yet to be realized. In the event the expansion does occur, an existing URA can help ensure development remains consistent with planning goals.

SB Friedman concludes the Study Area constitutes a social liability as it continues to deviate from planning goals articulated for the area.

According to Urban Renewal Law, the Study Area must exhibit factors which indicate the area is deteriorating and those factors must have adverse consequences. SB Friedman finds the deterioration factors present have adverse consequences resulting in an economic and social liability.

The following section focuses on the evaluation of the eligibility of the Open Land parcels in the Study Area.

Open Land Parcels

As previously mentioned, parcels considered Open Land have different eligibility criteria. The following is analysis of the 11 parcels in the Study Area considered to be Open Land or Potentially Open Land.

REQUIRED FINDINGS AND DEFINITION OF DETERIORATING

There are three sections within the Idaho Code that address Open Land:

1. Idaho Code Section 50-2903(8)(c) identifies eligibility criteria for Open Land and states any area which is predominately open and which because of:

1. Obsolete platting;
2. Diversity of ownership; or
3. Deterioration of structures or improvements; or

otherwise results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality, is considered a "deteriorating area" and eligible for urban renewal projects.

2. Idaho Code Section 50-2018(9) states if a "deteriorating area consists of open land the conditions contained in the proviso in section 50-2008(d), Idaho Code, shall apply." See also, Idaho Code Section 50-2903(8)(c).

3. Idaho Code Section 50-2008(d) states if an urban renewal area consists of Open Land to be acquired by the urban renewal agency, such area shall not be so acquired unless:

1. If it is to be developed for residential uses, the local governing body shall determine:
 - a. A shortage of housing of sound standards and design which is decent, safe and sanitary exists in the municipality;
 - b. The need for housing accommodations has been or will be increased as a result of the clearance of slums in other areas;
 - c. The conditions of blight in the area and shortage of decent, safe and sanitary housing cause or contribute to an increase in and spread of disease and crime constitute a menace to the public health, safety, morals or welfare; and
 - d. The acquisition of the area for residential uses is an integral part of and essential to the program of the municipality.
2. If it is to be developed for nonresidential uses, the local governing body shall determine:
 - a. Such non-residential uses are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives.

For both residential and nonresidential land uses acquisition by the urban renewal agency may be allowed if the area exhibits one or more of the following:

1. Defective of unusual conditions of title;
2. Diversity of ownership;
3. Tax delinquency;
4. Improper subdivision;
5. Outmoded street patterns;
6. Deterioration of site;
7. Economic disuse;
8. Unsuitable topography or faulty lot layout;
9. The need for correlation of the area with other areas of a municipality by streets and modern traffic requirements; or

Other conditions that retard the development of the area.

EVIDENCE OF A DETERIORATING AREA

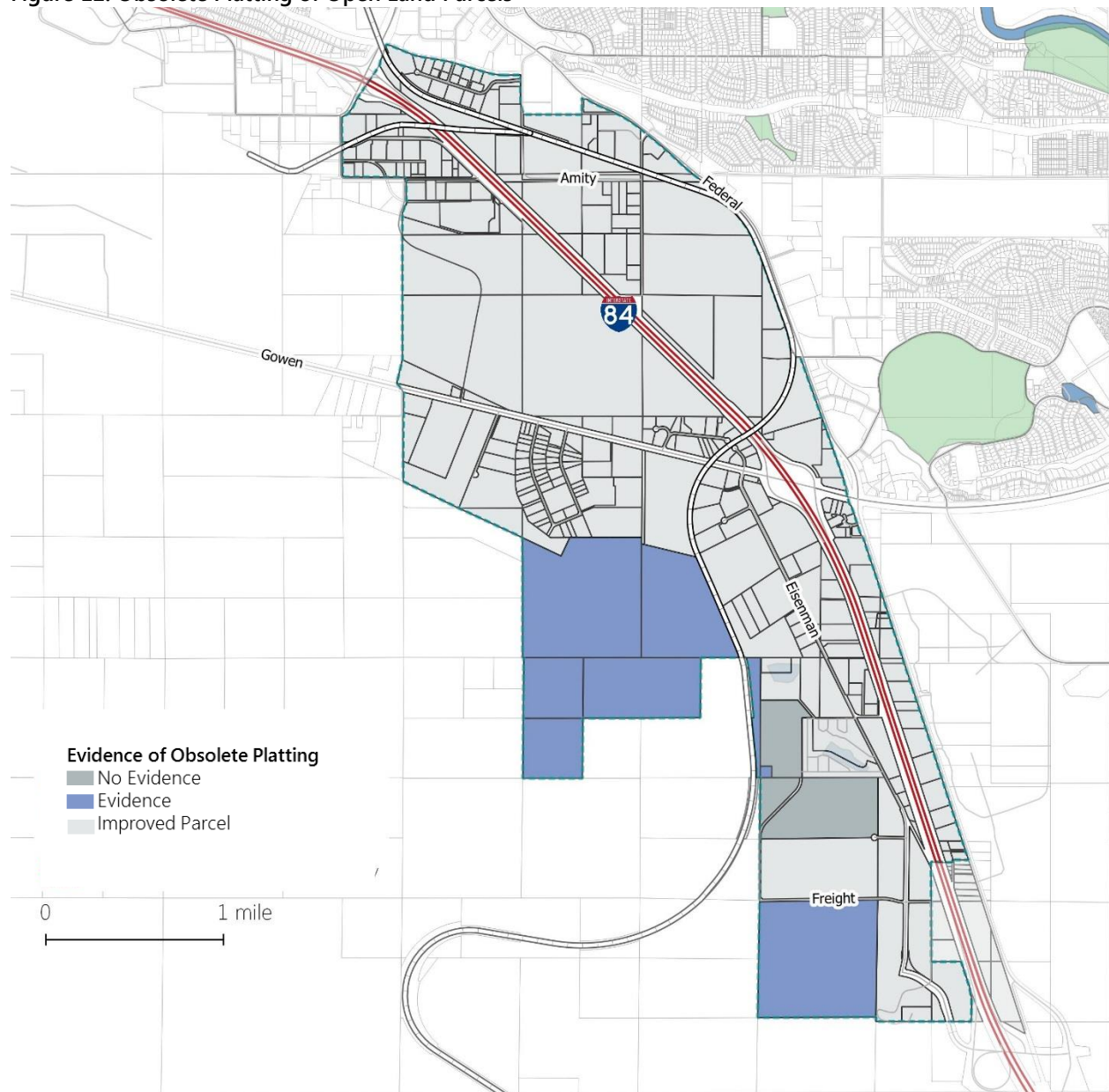
Idaho Code Section 50-2903(8)(c) is the only section which explicitly addresses eligibility criteria for Open Land parcels during the eligibility process, though there are references to Open Land in Idaho Code Section 50-2018(9) and Section 50-2008(d). Of the three eligibility factors for Open Land cited in Idaho Code Section 50-2903(8)(c), SB Friedman has identified one to be meaningfully present and reasonably distributed within the 11 Study Area Open Land Parcels.

1. OBSOLETE PLATTING

In order to evaluate obsolete platting of Open Land parcels, SB Friedman assessed parcel size and accessibility. To be identified as having “obsolete platting,” a parcel needed to have one or more of the following characteristics:

- Too small to typically develop without land assembly;
- Lack of street connectivity; or
- Too large to typically develop without subdivision.

Of the 11 Open Land parcels, eight (73%) exhibited obsolete platting. **Figure 12** shows the distribution of parcels identified as exhibiting obsolete platting. Based on this evidence, we find obsolete platting to be meaningfully present and reasonably distributed throughout the Open Land parcels. Therefore, the Open Land parcels meet the urban renewal eligibility standard of “obsolete platting.”

Figure 12: Obsolete Platting of Open Land Parcels

Source: City of Boise, CCDC, SB Friedman

OVERALL CRITERIA CONCLUSIONS FOR URA ELIGIBILITY

As described above, one of the three potential criteria for urban renewal eligibility was found present within the Open Land parcels:

1. Obsolete platting

In addition to the finding of one or more eligibility factors, Idaho Code Section 50-2903(8)(c) requires that this factor result in adverse consequences for the Study Area. The finding of adverse consequences will be addressed in the following section.

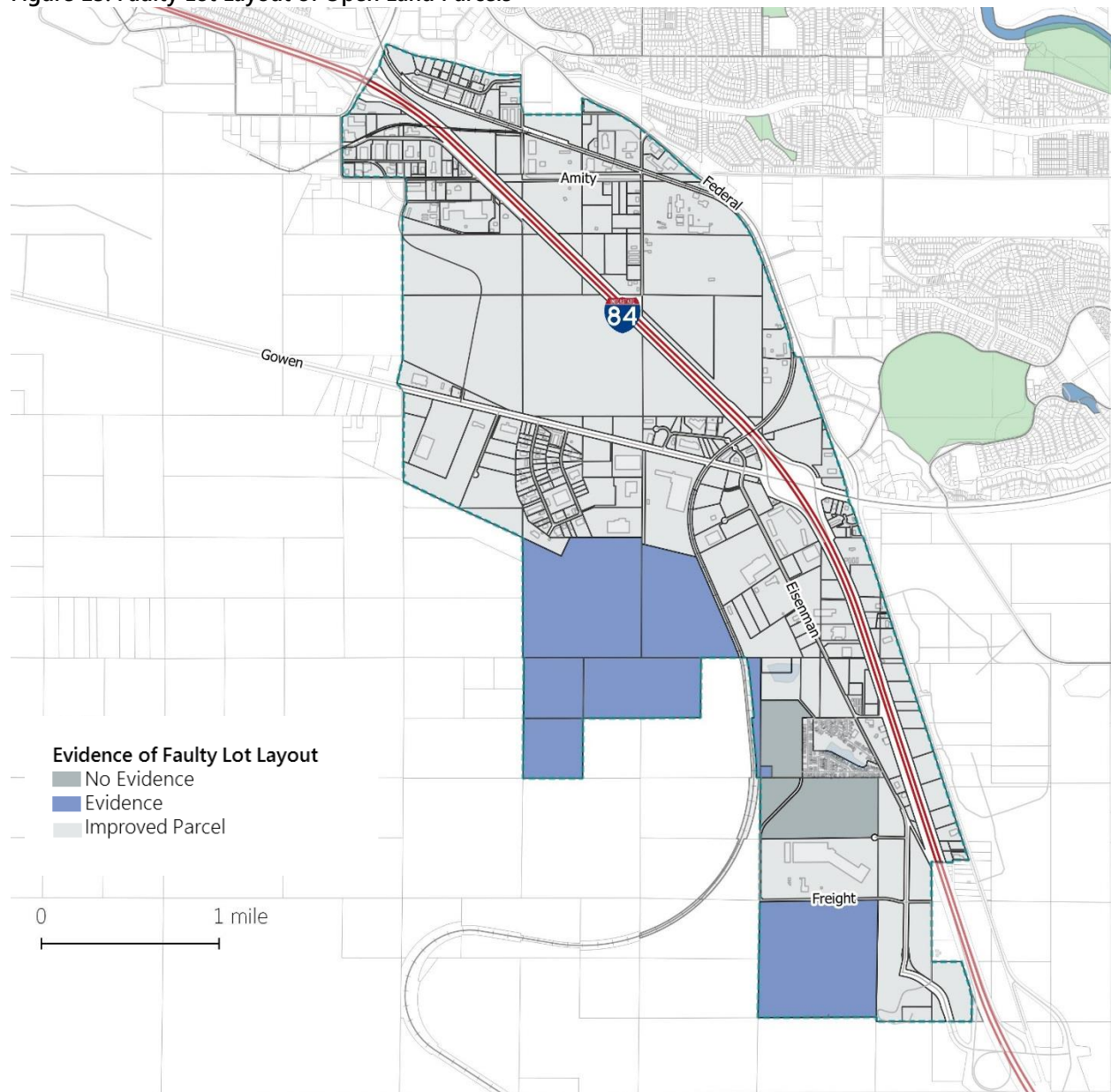
URBAN RENEWAL AREA OPEN LAND ACQUISITION ELIGIBILITY

Idaho Code Section 50-2008(d) addresses acquisition eligibility criteria for Open Land parcels. Of the nine eligibility criteria, we found two to be meaningfully present across the Open Land parcels:

1. Unsuitable topography or faulty lot layout; and
2. The need for correlation of the area with other areas of a municipality by streets and modern traffic requirements.

1. UNSUITABLE TOPOGRAPHY OR FAULTY LOT LAYOUT

Similar to the eligibility criteria for 'Obsolete Platting,' 'Faulty Lot Layout' is evidenced by parcels which are either too small to develop without land assembly, parcels without street access, or parcels which are likely too large to develop without subdivision. Of the 11 Open Land parcels, eight (73%) exhibit characteristics of faulty lot layout. Those parcels are identified in **Figure 13** below. Faulty Lot Layout is found to be meaningfully present and reasonably distributed amongst Open Land parcels in the Study Area.

Figure 13: Faulty Lot Layout of Open Land Parcels

Source: City of Boise, CCDC, SB Friedman

2. THE NEED FOR CORRELATION OF THE AREA WITH OTHER AREAS OF A MUNICIPALITY BY STREETS AND MODERN TRAFFIC REQUIREMENTS

The Open Land portion of the Study Area is both east and west of an active rail line managed by Watco. The need for correlation of the area with other areas of a municipality by streets and modern traffic requirements is apparent across all five parcels to the west of the rail line, none of which are currently accessible by public right of way. Connectivity to these parcels would require significant public improvements. Additionally, another four parcels directly to the east of the rail line are not currently connected to a public right of way. Due to the lack of accessibility of nine of the 11 Open Land parcels, SB Friedman finds the need for correlation of the area

with other areas of a municipality by streets and modern requirements to be meaningfully present and reasonably distributed throughout the Study Area Open Land parcels.

CRITERIA CONCLUSIONS FOR ACQUISITION ELIGIBILITY

As described above, two of the nine potential criteria for urban renewal acquisition eligibility were found present:

1. Unsuitable topography or faulty lot layout; and
2. The need for correlation of the area with other areas of a municipality by streets and modern traffic requirements.

Open Land Parcels

ECONOMIC UNDERDEVELOPMENT OF THE AREA

The Urban Renewal Law requires that a two-part test be passed for both Urban Renewal Eligibility and Acquisition Eligibility. The first part requires the finding of at least one eligibility factor – of the three or nine (respectively) – be present within the Open Land parcels. The second requirement for determining eligibility is demonstrating the finding of deterioration criteria also results in the economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality.

SB Friedman evaluated the economic underdevelopment of the Open Land parcels by comparing planning goals against development progress over the last 20 years. Planning documents over the same period – including Blueprint Boise and the ACHD Lake Hazel Alignment Study – reiterate the following goals:

1. Incorporate land uses that will be appropriate and proximate to the rail line in the future as the Boise Airport continues to expand south of Gowen Road; and
2. Expand the Lake Hazel Corridor to alleviate development pressure on Gowen Road.

The Open Land parcels are geographically the closest to the Boise Airport expansion area. These parcels also have no vertical improvement and very little public infrastructure. SB Friedman concludes the parcels are economically underdeveloped. The parcels are well suited for multi-modal development: with access to a rail line, air terminal and the interstate highway system. However, the existing built environment and specifically the lack of connectivity and improper platting – including the absence of the Lake Hazel Corridor – are inhibiting development and resulting in economic underdevelopment.

4. Conclusion

Improved Parcel Conclusions

According to the Urban Renewal Law, in order to qualify for designation as an Urban Renewal Area, an area must exhibit one or more of several factors indicating that the area is either a deteriorated area or a deteriorating area. Further, presence of this factor(s) must have adverse consequences.

SB Friedman finds the following three criteria for a deteriorating area to be meaningfully present and reasonably distributed throughout the Study Area improved parcels:

1. The presence of a substantial number of deteriorated or deteriorating structures;
2. Predominance of defective or inadequate street layout; and
3. Deterioration of site or other improvements.

Furthermore, we find that the Study Area represents an economic and social liability.

As a result, this preliminary Study concludes that the Study Area conforms with Idaho Code Title 50, Chapters 20 and 29, and meets the eligibility standards for designation as a proposed URA.

Open Land Parcel Conclusions

According to the Urban Renewal Law, in order to qualify for designation as an Urban Renewal Area Open Land must exhibit one or more of the three eligibility criteria and must be underdeveloped.

SB Friedman finds obsolete platting to be meaningfully present and reasonably distributed throughout the Study Area Open Land parcels. Furthermore, we find that Open Land parcels have been underdeveloped over the last 20 years. Thus, SB Friedman concludes that the Open Land parcels are eligible for an Urban Renewal Project under Urban Renewal Law.

SB Friedman, as of the date of this report, also finds 100% of the Open Land parcels to be eligible for acquisition by an urban renewal agency assuming the findings required in Section 50-2008(d)(4) are made. SB Friedman finds faulty lot layout and the need for correlation of the area to existing streets to be present across the Open Land parcels. As a result, SB Friedman concludes the Open Land parcels are currently eligible for acquisition according to Urban Renewal Law.

Appendix: Limitations of Engagement

Our Study is based on estimates, assumptions and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. The sources of information and bases of the estimates and assumptions are stated in the Study. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our Study, and the variations may be material.

The terms of this engagement are such that we have no obligation to revise the Study to reflect events or conditions which occur subsequent to the date of the report. These events or conditions include, without limitation, economic growth trends, governmental actions, additional competitive developments, interest rates, and other market factors. However, we are available to discuss the necessity for revision in view of changes in the economic or market factors affecting the proposed project.

Our Study does not ascertain the legal and regulatory requirements applicable to this project, including zoning, other State and local government regulations, permits, and licenses. No effort has been made to determine the possible effect on this project of present or future federal, state or local legislation, including any environmental or ecological matters.

Furthermore, we have neither evaluated management's effectiveness, nor will we be responsible for future marketing efforts and other management actions upon which actual results will depend.

Our Study is intended solely for your information, for the purpose of establishing a URA.

References to Other Policies

Blueprint Boise, the Comprehensive Plan of Boise City (the “Comprehensive Plan”), as may be amended from time to time, and adopted by the Boise City Council (the “City Council”) on November 29, 2011 (Ordinance No. 4298).