



BOARD OF COMMISSIONERS MEETING

January 11, 2021

CAPITAL CITY DEVELOPMENT CORPORATION

Board of Commissioners Meeting
Conference Room, Fifth Floor, 121 N. 9th Street
January 11, 2021, 12:00 p.m.

All Commissioners will attend virtually.
Virtual attendance is strongly encouraged.

Join meeting at <https://ccdcboise.com/the-agency/board-of-commissioners/>

A G E N D A

I. **CALL TO ORDER** Chair Zuckerman

II. **ACTION ITEM: AGENDA CHANGES/ADDITIONS** Chair Zuckerman

III. ACTION ITEM: CONSENT AGENDA

- A. Expenses
 - 1. Approval of Paid Invoice Report - December 2020
- B. Minutes and Reports
 - 1. Approval of December 14, 2020 Meeting Minutes
- C. Other
 - 1. Approve Resolution #1689 -- Appointment of Ross Borden as Acting Chief Administrative Officer

IV. ACTION ITEM

- A. CONSIDER: Annual Independent Audit of FY2020 Financial Statements (10 minutes)
.....Morgan Browning, Eide Bailly LLP
- B. CONSIDER: Ratification of Letter of Intent between CCDC and Ada County Regarding 3rd and Front Street Project (10 minutes) John Brunelle/Ryan Armbruster, Elam & Burke
- C. CONSIDER: Election of Board officers - Chair, Vice-Chair, and Secretary/Treasurer (5 minutes)
..... Chair Zuckerman
- D. CONSIDER: Approval of Executive Committee Charge (5 minutes)..... Chair Zuckerman
- E. CONSIDER: Appointment of Secretary Pro Tempore (5 minutes) Chair Zuckerman

V. INFORMATION/DISCUSSION ITEMS

- A. 1715 W. Idaho Street Housing infill RFQ/P Overview (5 minutes).....Brady Shinn
- B. 1715 W. Idaho Street Housing Infill Proposal Presentations and Q&A
 - 1) Presentation (10 minutes)..... Conner Construction LLC
 - Question and Answer (10 minutes) Chairman Zuckerman
 - 2) Presentation (10 minutes).....McCarty Flats LLC
 - Question and Answer (10 minutes) Chairman Zuckerman
 - 3) Presentation (10 minutes).....SMR Development / deChase Miksis / Edlen & Co.
 - Question and Answer (10 minutes) Chairman Zuckerman

C. 1715 W. Idaho Proposal Discussion (10 minutes)..... Chairman Zuckerman

VI. ADJOURN

This meeting will be conducted in compliance with the Idaho Open Meetings Law. In addition, all COVID-19 health safety protocols will be observed. Face masks and social distancing will be required. Due to limited seating in-person attendees may be required to wait outside the meeting room once the maximum safe meeting room capacity is reached. All CCDC Board members will attend virtually. Interested members of the public are welcome and are encouraged to attend virtually via the link above.

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



III. CONSENT AGENDA



Paid Invoice Report

For the Period: 12/1/2020 through 12/31/2020

Payee	Description	Payment Date	Amount
Debt Service:			
Payroll:			
PERSI	Retirement Payment	12/2/2020	23,011.57
EFTPS - IRS	Federal Payroll Taxes	12/2/2020	18,074.70
Idaho State Tax Commission	State Payroll Taxes	12/2/2020	3,005.00
CCDC Employees	Direct Deposits Net Pay	12/2/2020	45,961.46
PERSI	Retirement Payment	12/16/2020	19,174.12
EFTPS - IRS	Federal Payroll Taxes	12/16/2020	13,759.92
Idaho State Tax Commission	State Payroll Taxes	12/16/2020	2,268.00
CCDC Employees	Direct Deposits Net Pay	12/16/2020	39,094.55
PERSI	Retirement Payment	12/30/2020	17,633.40
EFTPS - IRS	Federal Payroll Taxes	12/30/2020	13,668.90
Idaho State Tax Commission	State Payroll Taxes	12/30/2020	2,321.00
CCDC Employees	Direct Deposits Net Pay	12/30/2020	39,736.91
Idaho Department of Labor	SUTA - Q4 2020	12/31/2020	158.87
Total Payroll Payments:			237,868.40
Checks and ACH			
Various Vendors	Check and ACH Payments (See Attached)	December 2020	1,662,502.26

Total Cash Disbursements: **\$ 1,900,370.66**

I have reviewed and approved all cash disbursements in the month listed above.

Finance Director

1/4/2021

Date

Executive Director

Jan. 5, 2021

Date

Report Criteria:

Detail report type printed

Vendor Number	Name	Invoice Number	Description	Invoice Date	Amount	Check Number	Check Issue Date
4126	Agnew Beck Consulting Inc	9103	Linen Blocks - W. Grove St	10/31/2020	7,197.93	63825	12/21/2020
		9103	Linen Blocks - W. Grove St	10/31/2020	799.77	63825	12/21/2020
		9104	Old Boise Grove Street Pu	10/31/2020	884.66	63825	12/21/2020
		9104	Old Boise Grove Street Pu	10/31/2020	115.34	63825	12/21/2020
Total 4126:					8,997.70		
3838	American Fire Protection L	1226	Monthly pump inspection &	12/04/2020	185.00	63826	12/21/2020
Total 3838:					185.00		
1316	Blue Cross of Idaho	2031400022	Health Insurance - Dec 202	12/01/2020	25,392.07	63821	12/01/2020
Total 1316:					25,392.07		
1385	Boise City Utility Billing	1177 DEC20	848 Main St # 0447416001	12/01/2020	8.42	11828	12/28/2020
Total 1385:					8.42		
4022	Boxcast Inc	B57F3A3-00	storage fees	12/01/2020	18.37	11802	12/22/2020
Total 4022:					18.37		
4082	BVGC Parcel B LLC	1600007321	11th & Front garage CAM e	12/01/2020	2,660.28	11803	12/22/2020
Total 4082:					2,660.28		
3712	Car Park	OCT2020	10th & Front - Grove	10/31/2020	16,413.83	11816	12/23/2020
		OCT2020	10th & Front - refunds	10/31/2020	1,311.25	11816	12/23/2020
		OCT2020	9th & Front - City Centre	10/31/2020	27,777.39	11816	12/23/2020
		OCT2020	9th & Main - Eastman	10/31/2020	16,532.87	11816	12/23/2020
		OCT2020	Cap & Front - BLVD	10/31/2020	8,923.64	11816	12/23/2020
		OCT2020	Cap & Main - Cap Terrace	10/31/2020	25,986.32	11816	12/23/2020
		OCT2020	Cap & Myrtle - Myrtle	10/31/2020	14,535.17	11816	12/23/2020
Total 3712:					111,480.47		
1556	Caselle Inc.	105532	Contract support - Decemb	12/01/2020	840.00	63822	12/01/2020
Total 1556:					840.00		
1595	City of Boise	IL1622	Downtown Core Maint - R	11/30/2020	1,955.95	63827	12/21/2020
		IL1622	Downtown Core Maint - W	11/30/2020	1,416.38	63827	12/21/2020
Total 1595:					3,372.33		
4116	Civil Survey Consultants In	20015-07	Production Street and Gow	11/30/2020	542.84	11804	12/22/2020
Total 4116:					542.84		
1703	CSHQA	34312	ParkBOI LED Lighting Upg	10/31/2020	7,273.40	Multiple	Multiple
Total 1703:					7,273.40		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Amount	Check Number	Check Issue Date
4151	Desman Inc	D20077	10th & Front Garage Struct	10/31/2020	1,260.00	11805	12/22/2020
		D20085	10th & Front Garage Struct	11/30/2020	525.00	11805	12/22/2020
Total 4151:					1,785.00		
1787	Downtown Boise Associati	8348	Downtown Infrastructure C	10/31/2020	3,568.15	63828	12/21/2020
		8348	Downtown Infrastructure C	10/31/2020	13,109.23	63828	12/21/2020
		8348	Downtown Infrastructure C	10/31/2020	13,109.22	63828	12/21/2020
Total 1787:					29,786.60		
1838	Elam & Burke P.A.	188539	Ada County Reuse of Parc	11/30/2020	1,278.70	11818	12/23/2020
		188540	Ash Street Properties	11/30/2020	2,850.00	11818	12/23/2020
		188542	Personnel Issues	11/30/2020	675.00	11818	12/23/2020
		188543	Parking Matters	11/30/2020	45.45	11818	12/23/2020
		188544	Shoreline Urban Renewal	11/30/2020	67.50	11818	12/23/2020
		188545	State Street - New URD	11/30/2020	292.50	11818	12/23/2020
		188546	Hoffman v. City of Boise	11/30/2020	75.00	11818	12/23/2020
		188547	WS District Amendment	11/30/2020	2,873.00	11818	12/23/2020
		188549	101-0 General	11/30/2020	3,271.55	11818	12/23/2020
		188550	Legislation	11/30/2020	180.00	11818	12/23/2020
		188551	WS District	11/30/2020	1,612.40	11818	12/23/2020
		188552	Gateway District	11/30/2020	135.00	11818	12/23/2020
Total 1838:					13,356.10		
4169	FireFusion Studio	DEC2020 T1	1322 W Main - FireFusion	12/16/2020	47,791.50	63829	12/21/2020
Total 4169:					47,791.50		
3695	Guho Corp.	200101063-0	8th & Bannock Streetscape	10/31/2020	105,286.65	11819	12/23/2020
		200101063-0	8th & Bannock Streetscape	10/31/2020	245,668.85	11819	12/23/2020
		200101063-0	8th & Bannock Streetscape	11/30/2020	119,106.83	11819	12/23/2020
		200101063-0	8th & Bannock Streetscape	11/30/2020	277,915.92	11819	12/23/2020
Total 3695:					747,978.25		
4115	HDR Engineering Inc	1200309110	Main & Fairview Transit Sta	10/31/2020	3,701.00	11820	12/23/2020
		1200315157	Main & Fairview Transit Sta	11/30/2020	2,710.00	11820	12/23/2020
		1200315157	Main & Fairview Transit Sta	11/30/2020	5,165.25	11820	12/23/2020
Total 4115:					11,576.25		
2165	Idaho Power	6607 NOV20	9th St outlets #220040660	11/30/2020	4.94	11827	12/18/2020
		7995 NOV20	9th & State # 2201627995	11/30/2020	5.75	11826	12/17/2020
Total 2165:					10.69		
3900	Idaho Records Manageme	0142539	Records Storage & Deliver	12/01/2020	129.89	11806	12/22/2020
Total 3900:					129.89		
2186	Idaho Statesman	263244 NOV	Legal Notices	11/29/2020	348.69	63830	12/21/2020
Total 2186:					348.69		
3966	Involta LLC	0055460	Website Hosting Services	12/01/2020	1,243.90	63831	12/21/2020

Vendor Number	Name	Invoice Number	Description	Invoice Date	Amount	Check Number	Check Issue Date
Total 3966:					1,243.90		
2288	Jensen Belts Associates	1765CD-8	Westside Park DD-CD-CA	11/30/2020	19,791.45	11821	12/23/2020
		1768CD-6	8th and Bannock Streetsca	11/30/2020	6,077.57	11821	12/23/2020
		1768CD-6	8th and Bannock Streetsca	11/30/2020	6,853.43	11821	12/23/2020
Total 2288:					32,722.45		
2360	Kittelson & Associates Inc.	0113706	11th Street Bikeway Conce	10/31/2020	8,391.25	11822	12/23/2020
Total 2360:					8,391.25		
4156	Lea Electric LLC	J4022-04	Westside Urban Park Early	11/18/2020	11,003.09	11823	12/23/2020
		J4022-04	Westside Urban Park Early	11/18/2020	3,094.53	11823	12/23/2020
Total 4156:					14,097.62		
4157	MIG Inc	0067013	State Street Corridor Fram	10/31/2020	9,215.00	11824	12/23/2020
Total 4157:					9,215.00		
4136	Mintify LLC	171	Management Training FY2	11/30/2020	4,000.00	11807	12/22/2020
Total 4136:					4,000.00		
3760	PERSI	20O030817	sick leave program - R. Cla	12/14/2020	67,661.08	63832	12/21/2020
Total 3760:					67,661.08		
2774	Pro Care Landscape Mana	35844	Landscape Maintenance -	11/30/2020	200.00	63833	12/21/2020
		35844	ParkBOI Winter Lights FY2	11/30/2020	2,092.64	63833	12/21/2020
		35845	ParkBOI Winter Lights FY2	11/30/2020	874.02	63833	12/21/2020
		35846	ParkBOI Winter Lights FY2	11/30/2020	1,068.57	63833	12/21/2020
		35847	ParkBOI Winter Lights FY2	11/30/2020	990.26	63833	12/21/2020
		35848	ParkBOI Winter Lights FY2	11/30/2020	353.18	63833	12/21/2020
Total 2774:					5,578.67		
2798	Quadrant Consulting Inc.	11273	State Street Infrastructure	10/31/2020	3,627.20	11808	12/22/2020
Total 2798:					3,627.20		
4125	Red Sky Inc	12047	Communication Services F	10/31/2020	2,000.00	63834	12/21/2020
		12067	Communication Services F	11/30/2020	2,000.00	63834	12/21/2020
Total 4125:					4,000.00		
4165	Remy Alice LLC	210003-1	Linen Blocks - W. Grove St	11/30/2020	3,993.75	11809	12/22/2020
		210003-1	Linen Blocks - W. Grove St	11/30/2020	443.75	11809	12/22/2020
Total 4165:					4,437.50		
3896	Rim View LLC	DEC2020	Monthly Rent - Trailhead D	12/01/2020	15,250.00	63823	12/01/2020
Total 3896:					15,250.00		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Amount	Check Number	Check Issue Date
3796	Scheidt & Bachmann USA I	42659	October 2020 Merchant Fe	10/31/2020	509.08	11810	12/22/2020
Total 3796:					509.08		
3542	Security LLC - Plaza 121	DEC2020	Office rent - Dec 2020	12/01/2020	13,970.00	63824	12/01/2020
Total 3542:					13,970.00		
4131	Smarking Inc	4800	Data Management Service	12/01/2020	4,937.50	11811	12/22/2020
Total 4131:					4,937.50		
3974	Stability Networks Inc.	33947	IT Services - FY2021	11/30/2020	2,675.00	11812	12/22/2020
		33947	Phone System Support	11/30/2020	85.00	11812	12/22/2020
		33947	AppRiver SecureTide	11/30/2020	90.00	11812	12/22/2020
		33947	Cisco Subscription	11/30/2020	5.84	11812	12/22/2020
		33947	Cloud Backup	11/30/2020	420.00	11812	12/22/2020
Total 3974:					3,275.84		
4109	Syringa Networks LLC	20339 DEC2	internet & data	12/01/2020	648.23	63835	12/21/2020
Total 4109:					648.23		
4074	The Potting Shed	18694	Interior Plant Maint.	11/30/2020	65.00	63836	12/21/2020
Total 4074:					65.00		
3170	Treasure Valley Coffee Inc.	2160:070925	Water & Cooler Rental	12/08/2020	106.00	63837	12/21/2020
Total 3170:					106.00		
3233	United Heritage	02014-001 N	Disability insurance - Nov 2	11/30/2020	1,497.44	63838	12/21/2020
Total 3233:					1,497.44		
3486	Urban Land Institute	3791684	ULI Idaho - Case for Transi	12/01/2020	500.00	63839	12/21/2020
Total 3486:					500.00		
3835	US Bank - Credit Cards	11.25.2020	recruitment expenses	11/25/2020	90.07	11801	12/15/2020
		11.25.2020	Voice, data & webhosting s	11/25/2020	136.83	11801	12/15/2020
		11.25.2020	Office Supplies	11/25/2020	315.26	11801	12/15/2020
		11.25.2020	Computer & Software Supp	11/25/2020	93.39	11801	12/15/2020
		11.25.2020	Postage	11/25/2020	19.69	11801	12/15/2020
		11.25.2020	Dues & Subscriptions	11/25/2020	1,505.00	11801	12/15/2020
		11.25.2020	Personnel Training (Local)	11/25/2020	2,010.00	11801	12/15/2020
		11.25.2020	Banking & Merchant Fees	11/25/2020	68.20	11801	12/15/2020
Total 3835:					4,238.44		
3266	Valley Regional Transit	27282	Mobility Collaborative - FY	11/13/2020	100,000.00	11825	12/23/2020
		27283	Local Capital Funding - FY	11/17/2020	29,220.00	11825	12/23/2020
Total 3266:					129,220.00		
4068	Veritas Material Consulting	1531	9th & Main Parking Garage	11/30/2020	4,575.00	63840	12/21/2020

Vendor Number	Name	Invoice Number	Description	Invoice Date	Amount	Check Number	Check Issue Date
Total 4068:					4,575.00		
3997	Wash Worx	INV-000757	bench & tree grate repairs	11/25/2020	1,250.00	11813	12/22/2020
		INV-000770	11th street bench repair	12/01/2020	350.00	11813	12/22/2020
		INV-000776	bench repair	12/14/2020	975.00	11813	12/22/2020
Total 3997:					2,575.00		
3365	Westerberg & Associates	240	Legislative Advisement Ser	11/30/2020	2,000.00	11814	12/22/2020
Total 3365:					2,000.00		
3998	Western Records Destructi	0517668	Records Destroyed	11/30/2020	46.00	63841	12/21/2020
Total 3998:					46.00		
3374	Western States Equipment	IN001487880	Bldg 8 fire pump inspection	11/23/2020	272.44	63842	12/21/2020
		IN001487881	Bldg 8 generator maintena	11/23/2020	276.57	63842	12/21/2020
Total 3374:					549.01		
3398	Wright Brothers	18149-02	Westside Urban Park CM	11/30/2020	309,729.37	63843	12/21/2020
Total 3398:					309,729.37		
3990	Xerox Corporation	012042035	Copier Lease	11/30/2020	301.83	11815	12/22/2020
Total 3990:					301.83		
Grand Totals:					1,662,502.26		

Report Criteria:
Detail report type printed

MINUTES OF MEETING
BOARD OF COMMISSIONERS
CAPITAL CITY DEVELOPMENT CORPORATION
Boise, ID 83702
December 14, 2020

I. CALL TO ORDER:

Board Members appeared remotely, as did John Brunelle, Executive Director, Kathy Wanner, Contracts Specialist, Brady Shinn, Project Manager – Property Development, Matt Edmond, Director – Parking & Mobility, Karl Woods, Senior Project Manager – Capital Improvements, Karl LeClair, City of Boise Public Art, Ellen Campfield Nelson, Agnew Beck, Caren Kay, SB Friedman Development Advisors, and Ryan Armbruster, CCDC Legal Counsel.

Ross Borden, Director of Finance & Administration, and Sarah Jones, Executive Assistant, were present at the CCDC physical office location.

There were no members of the public present at the CCDC physical office. It was confirmed that the live streaming service (BoxCast) was working properly, enabling the public to view the live stream.

Present: Commissioner Dana Zuckerman, Commissioner Ryan Woodings, Commissioner Lauren McLean, Commissioner Maryanne Jordan, Commissioner Danielle Hurd, Commissioner Gordon Jones, Commissioner Latonia Haney Keith, and Commissioner Kate Nelson

Roll call was taken, by Ryan Armbruster, Agency Legal Counsel confirming quorum.

Chairman Zuckerman convened the meeting with a quorum at 12:01 p.m.

II. ACTION ITEM: AGENDA CHANGES/ADDITIONS:

There were no changes to the agenda.

Commissioner David Bieter joined the meeting at 12:02 p.m.

III. ACTION ITEM: CONSENT AGENDA

A. Expenses

1. Approval of Paid Invoice Report – November 2020

B. Minutes and Reports

1. Approval of November 9, 2020 Meeting Minutes

C. Other

1. Approve Resolution #1688 – Supplemental Contract for State Street Feasibility Study
Approve Resolution #1687 - Change Order No. 1 to the CM/GC Contract with Guho Corp. for the 8th & Bannock Streetscape Improvements Project

Commissioner Woodings made a motion to approve the Consent Agenda.
Commissioner McLean seconded

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0

IV. ACTION ITEMS

A. CONSIDER: Resolution #1683 – Approving Home2Suites Public Art Design Concept Recommendation

Brady Shinn, Project Manager – Property Development, and Karl LeClair, City of Boise Public Art, gave a report.

Commissioner Woodings moved to adopt Resolution #1683, approving The Pale Blue Dot,” designed by Studio Capacitor, as the public art design concept for installation on the Home2Suites 5th & Front parking garage and for reimbursement as an eligible expense of the Project.

Commissioner Bieter seconded.

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0

B. CONSIDER: Resolution #1685 – Approving State Street Cost Share

Matt Edmond, Director – Parking & Mobility, gave a report.

Commissioner Woodings moved to adopt Resolution No. 1685 approving ACHD Cost Share Permit No. 42 for installation of certain streetscape elements along State Street between 11th Street and 14th Street as part of ACHD Project No. 519044.

Commissioner Haney-Keith seconded.

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0

C. CONSIDER: Resolution #1686 – Approving State Street Interagency Agreement with ACHD and City of Boise

Matt Edmond, Director – Parking & Mobility, gave a report.

Commissioner Woodings moved to adopt Resolution No. 1686 approving an Interagency Agreement with ACHD and the City of Boise for installation of fiber optic conduit along State Street between 8th Street and 14th Street as part of ACHD Project No. 519044.

Commissioner Bieter seconded.

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0

D. CONSIDER: Resolution #1684 – Reject Bids - 10th & Front Structural Concrete Repairs

Kathy Wanner, Contracts Specialist, gave a report.

Commissioner Woodings moved to adopt Resolution #1684 rejecting all bids received for the 10th & Front Garage Structural Concrete Repair Project.

Commissioner Haney-Keith seconded.

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0

V. INFORMATION/DISCUSSION ITEMS

A. Old Boise Blocks on Grove Street Vision Report

Karl Woods, Senior Project Manager – Capital Improvements, and Ellen Campfield Nelson, Agnew Beck, gave a report.

B. State Street Study Area Update

Matt Edmond, Director – Parking & Mobility and Caren Kay, SB Friedman Development Advisors, gave a report.

C. CCDC Monthly Report

John Brunelle, CCDC Executive Director, gave a report.

VI. MEETING ADJOURNMENT

There being no further business to come before the Board, a motion was made by Commissioner Woodings to adjourn the meeting. Commissioner McLean seconded the motion. A roll call vote was taken.

Roll Call:

Commissioner Bieter - Aye
Commissioner Haney-Keith - Aye
Commissioner Hurd - Aye
Commissioner Jones - Aye
Commissioner Jordan - Aye
Commissioner Mclean - Aye
Commissioner Nelson - Aye
Commissioner Woodings - Aye
Commissioner Zuckerman - Aye

The motion carried 9-0. The meeting adjourned at 1:25 p.m.

ADOPTED BY THE BOARD OF DIRECTORS OF THE CAPITAL CITY DEVELOPMENT CORPORATION ON THE 11th DAY OF JANUARY 2021.

Dana Zuckerman, Chair

Lauren McLean, Secretary



AGENDA BILL

Agenda Subject: Appointment of Ross Borden as Acting Chief Administrative Officer		Date: January 11, 2021
Contact: Ryan Armbruster, Elam & Burke	Attachments: A. Resolution No. 1689	
Action Requested: Adopt Resolution No. 1689 appointing Ross Borden, Finance and Administration Director, as Acting Chief Administrative Officer for the Agency for purpose of compliance with the Open Meetings Law.		

Background:

The Agency Board has never appointed or designated a Chief Administrative Officer – doing so would ensure flexibility in the Agency’s compliance with Idaho Open Meetings Law, title 74, chapter 2, Idaho Code.

Early in the COVID pandemic, a proclamation issued by Governor Little allowed public entities to conduct their meetings totally on a virtual platform, exempting those public entities from the Open Meetings Law provision which requires a member of the governing body, the director of the public agency, or the chief administrative officer of the agency to be physically present in the meeting room and providing for physical attendance by the public. See Idaho Code § 74-203(5). However, after the expiration of the proclamation, all public entities are required to comply with the requirement that one of those persons listed physically attend the meeting and the physical meeting room accessible to the public, subject to any then applicable limitation on the number of persons allowed. Virtual meetings are likely to continue for some time, and even after the pandemic the use of this type of meeting option may be invoked more regularly.

By designating Ross Borden, the Agency’s Finance and Administration Director, as the Acting Chief Administrative Officer for compliance of the Open Meetings Law, the Agency Board is best positioned to meet Open Meetings Law requirements when neither the Executive Director nor a member of the Board can physically attend the Board meeting.

Article III of the Agency Bylaws, adopted December 13, 2010, by Resolution No. 1243, allows for the appointment of “such other officers, as the Board of Commissioners may deem necessary.”

Fiscal Notes:

No fiscal impact.

Staff Recommendation:

Agency staff recommends that the Agency Board adopt Resolution No. 1689 appointing Ross Borden, Finance and Administration Director, as Acting Chief Administrative Officer for the Agency.

Suggested Motion:

I move to adopt Resolution No. 1689 appointing Ross Borden, Finance and Administration Director, as Acting Chief Administrative Officer for the Agency for the purpose of compliance of the Idaho Open Meetings Law.

RESOLUTION NO. 1689

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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, APPOINTING ROSS BORDEN ACTING CHIEF ADMINISTRATIVE OFFICER FOR THE PURPOSE OF COMPLIANCE WITH IDAHO OPEN MEETINGS LAW; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, is made on the date hereinafter set forth by the Urban Renewal Agency of Boise City, Idaho, an independent public body, corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, and the Local Economic Development Act, as amended and supplemented, Chapter 29, Title 50, Idaho Code (collectively the "Act"), as a duly created and functioning urban renewal agency for Boise City, Idaho (hereinafter referred to as the "Agency").

WHEREAS, Idaho Code § 74-203(5) requires that at least one (1) member of the Agency Board or the Executive Director or the Chief Administrative Officer be physically present at the designated Agency Board meeting location so as to ensure the public may attend in person; and,

WHEREAS, appointment by the Agency Board of a Chief Administrative Officer would ensure flexibility in the Agency's compliance with Idaho Open Meetings Law, title 74, chapter 2, Idaho Code, in circumstances when neither the Executive Director nor a member of the Agency Board can physically attend an Agency Board Meeting; and,

WHEREAS, Article III of the Agency Bylaws, adopted December 13, 2010, by Resolution No. 1243, allows for the appointment of "such other officers, as the Board of Commissioners may deem necessary," and,

WHEREAS, Agency staff recommends that the Agency Board appoint Ross Borden, Finance and Administration Director, as Acting Chief Administrative Officer for the Agency for the purpose of compliance with Idaho Open Meetings Law.

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

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

Section 2: That the Agency Board hereby appoints Ross Borden, the Agency's Finance and Administration Director, as Acting Chief Administrative Officer for the Agency for the purpose of compliance with Idaho Open Meetings Law.

Section 3: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Urban Renewal Agency of Boise City, Idaho, on January 11, 2021. Signed by the Chair of the Agency Board of Commissioners and attested by the Secretary to the Agency Board of Commissioners on January 11, 2021.

URBAN RENEWAL AGENCY OF BOISE CITY

By: _____
Dana Zuckerman, Chair

ATTEST:

By: _____
Lauren McLean, Secretary



IV. ACTION ITEMS



AGENDA BILL

Subject FY 2020 Financial Statements Audit Report		Date January 11, 2021
Staff Contact Joey Chen, Assistant Finance Director	Attachments 1. Audit Committee Agenda 2. Independent Auditor's Communication to Those Charged with Governance (AU 260) 3. Independent Auditor's Report of the Agency's FY 2020 Financial Statements	
Action Requested Accept independent auditor Eide Bailly LLP's report of the Agency's FY 2020 financial statements, and authorize distribution to all required entities.		

Background

Each year the Agency is required to submit to an independent audit of its financial statements that is performed in accordance with generally accepted governmental auditing standards (Sections 67-450(b) and 50-2006(d), Idaho Code).

The report must be filed within 10 days of receipt with the City of Boise, the Agency's "local governing body," and the Idaho Legislative Services Office. Covenants in the Agency's outstanding bonds also require that the report be provided each year to trustees and associated financial institutions.

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

Fiscal Note

Per Engagement Letter, Eide Bailly estimated its fee to perform an independent audit of Agency FY 2020 financial statements to be \$35,800.

Staff Recommendation

Accept the Eide Bailly audit report of Agency's FY 2020 financial statements and authorize staff to file the report with the required entities.

Suggested Motion

I move to accept independent auditor Eide Bailly's report of the Agency's Fiscal Year 2020 financial statements and authorize staff to deliver the audit report to all required entities.



**AUDIT COMMITTEE
AGENDA**

Executive Committee serves concurrently as Audit Committee

11:45 – Noon, Monday, January 11, 2021

Via Zoom

- 1. Call to Order.**
 - Chair Zuckerman
- 2. FY 2020 Audit Report Presentation by independent auditor Eide Bailly, LLP.**
 - Morgan Browning, Audit Manager
- 3. Discussion.**
 - Chair Zuckerman
- 4. Audit Committee discussion with Independent Auditor.**
 - Chair Zuckerman
 - Agency staff dismissed
- 5. Adjourn**

Noon: Board of Commissioners Regular Monthly Meeting

I. ACTION ITEM

- A. CONSIDER: Annual Independent Audit of FY2020 Financial Statements (10 minutes)
..... Morgan Browning, Eide Bailly

December 22, 2020

To the Board of Commissioners
Capital City Development Corporation
Boise, Idaho

We have audited the financial statements of Capital City Development Corporation (the Agency) as of and for the year ended September 30, 2020, and have issued our report thereon dated December 22, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated September 30, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the net pension liability and the deferred inflows/outflows of resources related to the net pension liability is based on actuarial estimates provided by Milliman to PERSI and the Schedule of Employer Allocations and Collective Pension Amounts provided by PERSI. This schedule was audited by independent auditors. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is a reasonable in relation to the basis financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to:

The disclosure of long-term debt in Note 5 to the financial statements discloses the various debts held by the Agency, as well as the related terms, prepaid interest, premiums, discounts and payment schedules.

The disclosure of employer pension assumptions in Note 6 to the financial statements is sensitive as this footnote supports the assumptions made and inputs used to determine the employer pension assumption.

The disclosures of commitments and significant contract agreements are in Note 8 and 9, respectively. These notes disclose possible future cash outflows that are or may be required of the Agency.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no corrected misstatements identified as a result of our audit procedures.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Passed entry to book unrealized gain related to the Local Government Investment Pool (LGIP) account in the River Myrtle District RA Fund.

LGIP Account	\$30,787
Unrealized Gain	\$30,787

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended September 30, 2020, is an understatement of net income of approximately \$30,787, and understatement of net position of approximately \$30,787.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 22, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the

entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, Schedule of Employer's Share of Net Pension Liability and Schedule of Employer Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

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

Boise, Idaho



Financial Statements
September 30, 2020

Capital City Development Corporation

CAPITAL CITY DEVELOPMENT CORPORATION

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Independent Auditor's Report

To the Board of Commissioners
Capital City Development Corporation
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Capital City Development Corporation (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Capital City Development Corporation, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

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

Boise, Idaho
December 22, 2020

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

This section of Capital City Development Corporation's (the Agency's) annual financial report is provided by the management in accordance with GASB requirements to assist the reader in identifying and reviewing key issues and financial activity for the fiscal year ending September 30, 2020. Since this discussion and analysis focuses on the current fiscal year's activities and is a summary, the reader is encouraged to review the financial statements and notes which follow this section to gain a complete understanding of the Agency's finances.

Financial Highlights

- The Agency's total assets and deferred outflows of resources exceeded its liabilities and deferred inflow of resources at the close of the fiscal year 2020 by \$62,726,169. Of this total, \$21,505,532 is invested in capital assets (net of debt).
- At fiscal year close, the Agency's governmental funds reported a combined ending fund balance of \$54,406,140, of which \$53,669,133 is nonspendable, restricted, committed or assigned.
- During fiscal year 2020 the Agency's expenses were \$16,047,701 compared to the \$20,769,255 reported in 2019. The change was primarily due to the decrease in community development expenses related to the decrease in capital projects in 2020.
- Total revenues decreased by \$1,137,254. The decrease is mainly due to the fact that: (1) the Agency waived monthly parking fees for the month of April and May when the pandemic began in Idaho; (2) the hourly parking revenue has been negatively impacted by the pandemic since late March.
- Interest and fees expense on long-term debt in governmental activities decreased by \$205,010 compared with fiscal year 2019. In fiscal year 2020, no refunding or early redemption occurred.
- The Agency's key revenues are parking revenues and revenue allocation district revenues (tax increment revenue). Parking revenues decreased \$2,560,801 primarily due to: 1) decreased parking activities impacted by the pandemic and 2) the Agency waived monthly parking fees for the months of April and May when the pandemic began in Idaho. Revenue allocation funds increased 9.7% or \$1,462,466 in fiscal year 2020 as compared to the prior year due to the increased property valuations and new construction in Agency urban renewal districts.

Overview of the Financial Statements

The format of this report allows the reader to examine combined financial statements to view the Agency as a whole (Agency-wide) as well as information on individual fund activities. This financial report consists of three parts: 1) Management Discussion and Analysis, 2) Basic Financial Statements, and 3) Required Supplementary Information. Viewing governmental activity both as a whole and by individual major fund gives the reader a broader perspective, increases the Agency's accountability and provides a more complete picture of the financial health and activities of the Agency. The Basic Financial Statements include two kinds of statements that present different views of the Agency: Government-wide Financial Statements provide both long-term and short-term information about the Agency's overall financial status. Fund Financial Statements focus on individual parts of Agency activities and report the Agency's operations in more detail than the Government-wide statements. The Governmental Funds statements show how general government services such as urban renewal and parking were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

Figure A illustrates how the required parts of this annual report are arranged and relate to one another.

Figure A - Required Components of CCDC Annual Financial Report

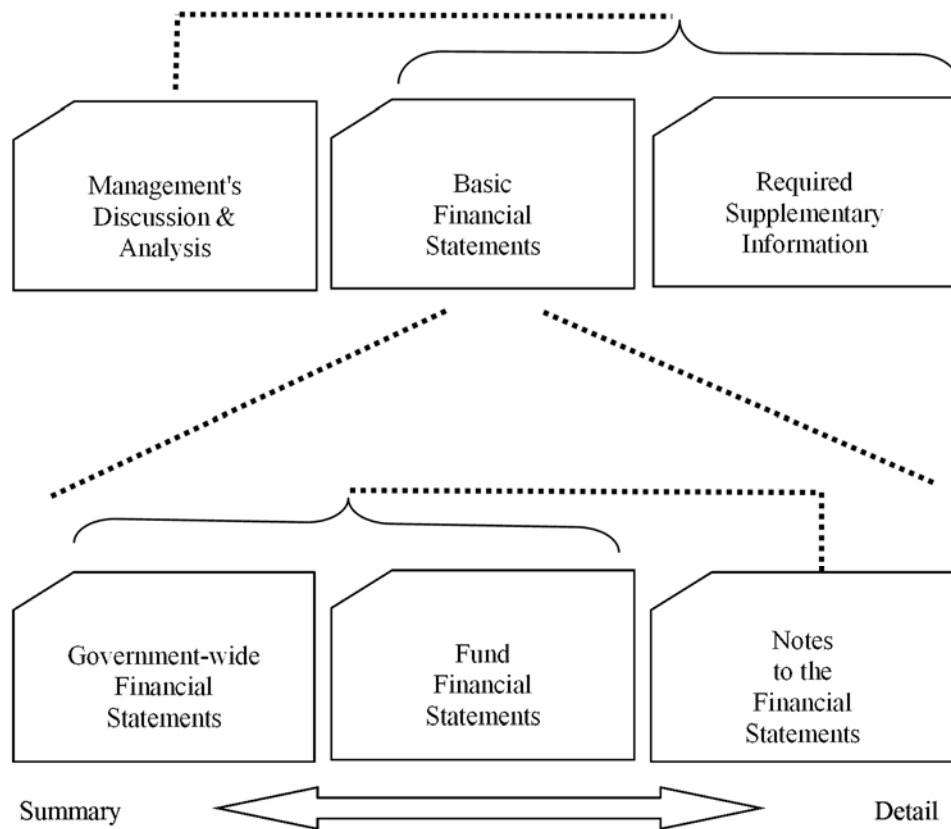


Figure B identifies the presentation of the Agency's financial statements.

Figure B - Major Features of CCDC's Government-wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds
Scope	Entire Agency government (except fiduciary funds) and Agency's component units	The activities of the Agency that are not proprietary such as urban renewal
Required financial statements	Statements of: Net Position Activities	Balance sheet Statement of revenues, expenditures and changes in fund balances
Accounting basis / measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received payment is due during the year or soon thereafter

The remainder of this overview section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Government-Wide Financial Statements

Government-wide financial statements for the Agency are designed to parallel more closely the reporting used in private-sector businesses, in that all governmental activities are reported using the same basis of accounting (accrual), and that the statements include a total column to provide information on the Agency as a whole. These statements are designed to better portray the fiscal position of the Agency relative to the prior year.

CAPITAL CITY DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

The Statement of Net Position provides information on all of the Agency's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Historical trending of the net position can provide a useful indicator as to whether the financial position of the Agency is improving or declining. The Agency's principal physical assets are land and parking structures.

The Statement of Activities provides information showing changes made to the Agency's net position during fiscal year 2020. Financial activity shown on this statement is reported on an accrual basis (at the time the underlying event causing the change occurs, rather than at the time the cash flows happen). Thus revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. All of the year's revenues and expenses are accounted for in the Statement of Activities. The Agency's principal activities relate to planning and facilitation of quality private development, public infrastructure improvements, operation of the downtown parking system, and issuance of debt financing for larger strategic projects. The Agency's program operation, urban renewal activities and parking system operation are included in the governmental activities. The individual district activities are tracked separately and combined for reporting purposes.

Fund Financial Statements

The focus of the Fund Financial Statements is to provide more detailed information about the Agency's major funds rather than the previous focus on fund types or on the Agency as a whole. A fund is a self-balancing set of accounts that is used to keep track of specific revenues and expenditures related to certain activities or objectives. Some funds are required by State law and some stipulated by bond policies. Operational funds are established by the Board of Commissioners for appropriations and management purposes. All of the Agency's funds are Governmental funds.

Governmental funds use modified accrual accounting, which measures current economic resources and focuses on changes to the current financial resources. This method is useful in evaluating the Agency's short-term financial resources. Supplemental information following some of the included statements further addresses long-term issues and variances with the Government-wide statements. The Agency maintains eight Governmental funds: Debt Service Fund (Ada County Courthouse Ground Lease Agreements), Central District Revenue Allocation Fund (urban renewal activities), River-Myrtle/Old Boise District Revenue Allocation Fund (urban renewal activities), Westside District Revenue Allocation Fund (urban renewal activities), 30th Street District Revenue Allocation Fund (urban renewal activities), Shoreline District Revenue Allocation Fund (urban renewal activities), Gateway East District Revenue Allocation Fund (urban renewal activities), Parking Fund (parking system activities), and the General Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Agency-Wide Financial Analysis

Table 1 reflects the condensed fiscal year 2020 and fiscal year 2019 Statement of Net Position. Increases or decreases in Net Position value may vary significantly with variations in debt service payments, the timing of large public improvement projects, or the purchase or sale of land, buildings, and parking facilities. The Agency's total Net Position increased \$8,231,382 during fiscal year 2020.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Table 1
Statement of Net Position
As of September 30, 2020 and 2019

			Percent Change 2019-2020
	2019	2020	
Current and Other Assets	\$ 67,081,591	\$ 71,393,640	6.4%
Capital Assets	24,636,940	24,465,970	(0.7%)
Total Assets	91,718,531	95,859,610	4.5%
Deferred Outflows of Resources	222,751	308,161	38.3%
Long-Term Debt Outstanding	19,422,159	16,367,123	(15.7%)
Other Liabilities	1,934,570	1,433,898	(25.9%)
Total Liabilities	21,356,729	17,801,021	(16.6%)
Deferred Inflows of Resources	16,089,766	15,640,581	(2.8%)
Net Position			
Net Investment in			
Capital Assets	20,995,763	21,505,532	2.4%
Restricted	32,379,190	40,483,630	25.0%
Unrestricted	1,119,834	737,007	(34.2%)
Total Net Position	\$ 54,494,787	\$ 62,726,169	15.1%

Thirty-four percent of the Agency's net position is invested in Capital Assets (i.e. land, buildings, equipment, parking facilities, and other, net of long term liabilities) with the remaining balance of net position to provide for ongoing obligations and subsequent year activities.

Table 2 provides a summary of the Agency's operations for the fiscal year ended September 30, 2020. Prior year data is presented for comparison purposes.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Table 2
Statement of Activities
For Years Ended September 30, 2020 and 2019

	2019	2020	Percent Change 2019-2020
Revenues			
Program Revenues			
Charges for Services	\$ 704,031	\$ 733,400	4.2%
Operating Grants and Contributions	672,433	614,549	(8.6%)
Parking	8,625,213	6,064,412	(29.7%)
Total Program Revenue	10,001,677	7,412,361	(25.89%)
General Revenue			
Property Tax Increment	15,098,047	16,560,513	9.7%
Unrestricted Investment Earnings	316,613	306,209	(3.3%)
Total Revenues	25,416,337	24,279,083	(4.47%)
Expenses			
Program Expenses			
Community Development	16,101,774	11,647,826	(27.7%)
Interest on Long-Term Debt	819,041	614,031	(25.0%)
Parking Facilities	3,848,440	3,785,844	(1.6%)
Total Program Expenses	20,769,255	16,047,701	(22.7%)
Special Item			
District Termination - fund balance return to Ada County	(661,379)	-	(100.0%)
Increase in Net Position	3,985,703	8,231,382	106.5%
Net Position - Beginning	50,509,084	54,494,787	7.9%
Net Position - Ending	\$ 54,494,787	\$ 62,726,169	15.1%

Revenues: *Charges for Services* include lease revenues from the Ada County Courthouse Corridor Project and from properties held for redevelopment in Westside District, and from leasing activities in parking fund. *Operating Grants & Contributions* include various reimbursements. *Parking* includes proceeds generated from operating the public parking garages. *General Revenues* include earnings on investments. Overall, total Agency revenues decreased \$1,137,254 compared with the prior year. Tax increment revenues increased \$1,462,466 compared to fiscal year 2019, due to the increase in property valuations and new construction in Agency urban renewal districts. Parking revenues decreased \$2,560,801 mainly due to significantly less parking activities impacted by the pandemic.

CAPITAL CITY DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

Expenses: *Community Development* includes the general expenses of the Agency related to fulfilling its mission. *Interest on Long-Term Debt* includes the interest portion of payments related to long-term financing arrangements. *Parking Facilities* includes the cost of operating the public parking system. Overall, total Agency expenses in fiscal year 2020 decreased \$4,721,554. The change was primarily due to the decrease in major community development projects.

Budgetary Highlights

The fiscal year 2020 budget was amended once during the year. The budget was decreased for amounts related to the timing of capital improvement projects that were continued into the next fiscal year or for capital improvement projects that were added, deleted or modified during the fiscal year. The budget also reflected decreased amounts for parking revenues due to the pandemic.

Capital Assets

Tables 3 and 4 present the Agency's Capital Assets. During fiscal year 2020, the Agency started several projects in Agency-owned garages and the work continues through 2021. Therefore, a total of \$465,189 is recorded as construction in progress. These projects are: 9th & Front Garage Stairs Structural Repairs; 10th & Front Garage Structural Repairs; 9th & Main Garage Elevator Refurbishment; Door Hardware & ADA Upgrades. See additional information in Note 4.

Table 3
Capital Assets Net of Depreciation

	2019	2020	Total Dollar Change 2019-2020
Land	\$ 3,943,660	\$ 3,943,660	\$ -
Construction in Progress	181,755	465,189	283,434
Building, Improvements and Equipment, net	20,511,525	20,057,121	(454,404)
Total Capital Assets	\$ 24,636,940	\$ 24,465,970	\$ (170,970)

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

Table 4
Major Capital Additions during Fiscal 2020

Beginning Balance	<u>\$ 24,636,940</u>
Capital Additions:	
Construction in Progress	465,189
Buildings, Improvements and Equipment	719,728
Total Capital Additions	<u>1,184,917</u>
Capital Deletions and transfers:	
Improvements other than Buildings	-
Equipment	-
Accumulated Depreciation for deletions	-
Total Capital Deletions	<u>-</u>
Current Year Transfers of	
Construction in Progress to	
Buildings, Improvements and Equipment	(181,755)
Current Year Depreciation	<u>(1,174,132)</u>
Ending Balance	<u><u>\$ 24,465,970</u></u>

Debt Amortization

Table 5 summarizes the principal amounts of the Agency's Long-Term Debt (See also Note 5 – Long-Term Debt). The changes in Long-Term Debt represent the scheduled principal payments on that debt.

Table 5
Long-Term Debt

Activity	Type	2019	2020	Total Dollar Change 2019-2020
2011 B	Note	\$ 6,025,000	\$ 4,930,000	\$ (1,095,000)
2017 A	Bond	9,215,000	7,455,000	(1,760,000)
2017 B	Bond	3,700,000	3,000,000	(700,000)
Total		<u><u>\$ 18,940,000</u></u>	<u><u>\$ 15,385,000</u></u>	<u><u>\$ (3,555,000)</u></u>

Economic Factors

FY2020 was comprised of two distinctly different halves.

The first half, October almost through March, extended the decade-long period of economic growth locally, regionally and nationally. CCDC, the City of Boise's redevelopment agency, guided by its Board of Commissioners, used the strong and growing tax increment revenue from its five urban renewal districts and parking revenue from its seven, in-high-demand, highly subscribed public parking garages to execute its Capital Improvement Program, partner with developers in all of the projects in its impact areas that had a public investment component, and maintain its parking infrastructure. CCDC also works closely with the City of Boise and other governmental units on public-public projects, providing funding, co-project management and co-leadership.

A change in administration at City Hall brought a change to the city's vision, from Boise becoming "the most livable city in the country" to "creating a city for all" with a focus on housing. Mayor Lauren McLean, who assumed office in January 2020, made housing her top priority. It is reasonable to conclude that the rationale for this new vision is a result of progress made toward realizing the previous vision. Boise is blessed with many attractive qualities both inherent and intentionally realized. CCDC has been an indispensable partner with the city, private developers, governmental agencies and a variety of individuals and interest groups in the city's evolution and maturation into a place people and businesses want to call home. The rush to Boise – and the greater Treasure Valley – has been building for three decades, slowed only by national economic events like the Great Recession in the late 2000's. Indeed, national economic and social turmoil has accelerated the rush to Boise and the Treasure Valley from originally West Coast cities and now from all parts of the country. The influx represents a generally good demographic mix of young singles, middle-aged families and retirees. An important attraction to go along with a strong local economy has been abundant and affordable homes. The housing situation today has evolved into one of high demand and low supply – the formula for skyrocketing home prices which puts that relative affordability, especially in Boise proper, at risk.

The second half of the fiscal year, mid-March through September, was dramatically different than the first. The COVID-19 pandemic formally arrived in Boise in mid-March when Governor Brad Little issued a statewide emergency shelter-in-place order. Similar action by Mayor McLean and the Boise City Council came shortly thereafter resulting in the temporary closure of all non-essential businesses and activities. The state adopted a metrics-based, phased approach to slow the spread of the virus so that the health care system did not get overwhelmed. CCDC was impacted although not as might have been expected considering the devastating impact the pandemic response has had on various economic sectors. The closure and then phased, gradual reopening of non-essential businesses with extensive cleanliness and social-distancing protocols continued to be a very difficult environment for downtown restaurant, bar and retail businesses through the end of FY2020 and will continue well into FY2021. As of the date of this report, a vaccine remains under development. Once formulated, it will have to be tested, manufactured and distributed world-wide. That process is likely to consume some if not most (or all) of FY2021. While the Agency's ParkBOI system of public parking garages remained open as an essential business, most downtown businesses were required to close from mid-March to mid-May, followed by a restricted capacity reopening. Parking garage utilization immediately fell 95%. The pandemic significantly, negatively impacted parking revenues the entire second half of FY2020. CCDC stepped up to help downtown businesses and parking permit holders by waiving both April and May monthly parking fees, resulting in a \$300,000 foregone revenue each month. Overall parking revenues for FY2021 are budgeted at about half of the FY2020 Original budget amount of \$8.7 million and an additional \$1.5 million less than the FY2020 Amended budget. Providing convenient and affordable structured parking is an important part of what CCDC can do to support downtown's

CAPITAL CITY DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

rebound and, after the pandemic has been defeated, its continued success. One of the few positive pandemic impacts was a reduction of single occupancy vehicles downtown on workdays. During this short-term hiatus the Agency will continue to work with its partners and commit funding to plan for and provide mobility alternatives for when downtown returns to its pre-pandemic normal of bustling activity. Meanwhile, as mentioned, the real estate and development sectors locally showed no signs of being slowed by the pandemic. Housing, in particular, cannot be built fast enough to accommodate the influx of new residents drawn by Boise and the Treasure Valley's enviable mix of moderate size, strong economy, reasonable cost of living, and access to abundant outdoor opportunities. CCDC budgeted for a 19% (\$3.1 million) increase in property tax-based tax increment revenue from FY2020 to FY2021 – remarkable growth in the midst of a global pandemic that is wreaking havoc locally.

The River-Myrtle / Old Boise (RMOB) district is fast approaching its statutory termination year. CCDC's current 5-Year Capital Improvement Plan, FY2021-25, encompasses RMOB's final five years and programs all projected revenues for a variety of public investments, working with partners and independently. The current locus of development activity in the district is east of Capitol Boulevard in and around Old Boise and along east, west arterials Myrtle and Front streets where several large apartment buildings are out-of-the-ground along with another hotel that is nearing completion. The hotel and larger apartment developments include much needed, excess structured parking for public use or to provide needed parking for Courthouse complex employees under an agreement with Ada County.

The Westside district will sunset one year after RMOB, at the end of fiscal year 2026. The nine-story office tower under construction at 11th & Idaho streets will be completed in FY2021. The developers are the owners of the Boise Plaza building on the adjacent block. Two-thirds of the north half of that block, bounded on the north by Bannock Street, is becoming the Westside Urban Park, a collaborative project between CCDC (\$3.0 million) and the city (\$1.4 million and owner / operator). CCDC will use Requests for Proposals to invite developers to propose tailored projects for a small, recently acquired parcel at 1715 Idaho Street (housing infill), and for the Brady Blocks, the area around 11th & State streets, where the Agency has acquired property and has been discussing a transformative development with neighboring businesses and landowners.

Two of the three major developments in the 30th Street District occupying the long-vacant parcels in the western Fairview Avenue area are now complete and occupied: New Path Community Housing (40 permanent supportive housing units) and Adare Manor (134 market rate to affordable housing units plus some retail). Construction on the St Luke's Regional Medical Center multi-story imaging center adjacent to Adare Manor is well underway.

FY2020 marks the second year that the Agency received increment revenue from its newest urban renewal districts: Gateway East – the Agency's first industrial-focused, non-urban district – and Shoreline. Gateway East, located along I-84 between Micron and the Boise Airport, is off to a strong start due to its abundant, multi-mode transportation access and land availability. Shoreline, straddling the Boise River between Capitol Boulevard west to the Connector, is less a blank slate. Even with comparatively limited potential, it is an extraordinary location along the river and proximate to downtown that will attract high-caliber, urban development.

The Agency continues to pursue two study areas: the Central Bench and the State Street Corridor. The City Council accepted Eligibility Reports for both proposed districts in 2019. The next step for a potential Central Bench district is developing a formal Plan and determining its feasibility, along with robust public engagement. The proposed State Street Corridor District would support redevelopment of mixed use activity centers and a future bus rapid transit (BRT) route along the State Street corridor between 27th Street and Horseshoe Bend Road. Consultants have been engaged to conduct an economic feasibility study and develop a public engagement strategy.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020

The Agency remains actively engaged with private developers and public agencies to make judicious use of its highly sought-after, catalytic, but limited, resources. CCDC has a distinguished record of and will continue to play a supporting yet indispensable role in the viability of many of the projects that have made this the city's premier era of growth and development.

Further Information Available

This financial report provides citizens, its governing board, appointing and confirming authorities, public and private partners, investors, creditors and legislators with an independent review of Agency finances. Contact Capital City Development Corporation at 121 N. 9th Street, Suite 501, Boise, ID 83702, 208-384-4264 (voice), www.ccdcboise.com with questions, comments or for additional information.

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 45,490,616
Receivables	
Accounts receivable	302,999
Interest receivable	9,863
Taxes receivable	15,606,677
Prepays and deposits	45,250
Restricted cash	2,144,355
Property held for resale or development	7,793,880
Capital assets	
Land, non-depreciable	3,943,660
Construction in progress, non-depreciable	465,189
Buildings, improvements, and equipment, net of accumulated depreciation	20,057,121
TOTAL ASSETS	95,859,610
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	39,562
Deferred outflows related to pensions	268,599
TOTAL DEFERRED OUTFLOWS OF RESOURCES	308,161
LIABILITIES	
Accounts payable	1,113,731
Accrued liabilities	175,434
Advanced revenues	80,132
Advanced lease payments	12,097
Interest payable	40,978
Refundable deposits	11,526
Long-term debt	
Current portion	3,670,000
Long-term	11,715,000
Net pension liability	982,123
TOTAL LIABILITIES	17,801,021
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property tax	15,606,677
Deferred inflows related to pensions	33,904
TOTAL DEFERRED INFLOWS OF RESOURCES	15,640,581
NET POSITION	
Net investment in capital assets	21,505,532
Restricted	40,483,630
Unrestricted	737,007
TOTAL NET POSITION	\$ 62,726,169

CAPITAL CITY DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Community development	\$ 11,647,826	\$ 733,400	\$ 614,549	\$ -	\$ (10,299,877)
Interest on long-term debt	614,031	-	-	-	(614,031)
Parking facilities	3,785,844	6,064,412	-	-	2,278,568
Total	<u>\$ 16,047,701</u>	<u>\$ 6,797,812</u>	<u>\$ 614,549</u>	<u>\$ -</u>	(8,635,340)
General revenues:					
Property tax increment					16,560,513
Unrestricted investment earnings					<u>306,209</u>
Total general revenues					<u>16,866,722</u>
Change in net position					8,231,382
Net position, Beginning of Year					<u>54,494,787</u>
Net position, End of Year					<u>\$ 62,726,169</u>

CAPITAL CITY DEVELOPMENT CORPORATION**BALANCE SHEET – GOVERNMENTAL FUNDS****SEPTEMBER 30, 2020**

	General Fund	Debt Service Fund	River Myrtle District RA Fund	Westside District RA Fund
ASSETS				
Cash and investments	\$ 1,000,000	\$ -	\$ 25,089,307	\$ 7,236,955
Accounts receivable	4,470	-	87,916	99,268
Interest receivable	9,863	-	-	-
Taxes receivable	-	-	9,470,812	3,659,897
Prepays	-	-	15,250	-
Restricted cash	-	-	232,365	-
Property held for resale or development	-	-	54,490	7,739,390
	<u>\$ 1,014,333</u>	<u>\$ -</u>	<u>\$ 34,950,140</u>	<u>\$ 18,735,510</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 101,892	\$ -	\$ 97,393	\$ 295,224
Accrued liabilities	175,434	-	-	-
Advanced revenues	-	-	-	-
Refundable deposits	-	-	-	11,526
	<u>277,326</u>	<u>-</u>	<u>97,393</u>	<u>306,750</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable- property tax	-	-	9,470,812	3,659,897
	<u>-</u>	<u>-</u>	<u>9,470,812</u>	<u>3,659,897</u>
FUND BALANCES				
Nonspendable	-	-	69,740	7,739,390
Restricted	-	-	25,312,195	7,029,473
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	737,007	-	-	-
	<u>737,007</u>	<u>-</u>	<u>25,381,935</u>	<u>14,768,863</u>
Total fund balances	<u>\$ 1,014,333</u>	<u>\$ -</u>	<u>\$ 34,950,140</u>	<u>\$ 18,735,510</u>

CAPITAL CITY DEVELOPMENT CORPORATION

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2020

30th Street District RA Fund	Shoreline District RA Fund	Gateway East District RA Fund	Parking Fund	Total Governmental Funds
\$ 1,878,918	\$ 175,423	\$ 520,895	\$ 9,589,118	\$ 45,490,616
-	-	-	111,345	302,999
-	-	-	-	9,863
853,234	235,288	1,387,446	-	15,606,677
-	-	-	30,000	45,250
-	-	-	1,911,990	2,144,355
-	-	-	-	7,793,880
<u>\$ 2,732,152</u>	<u>\$ 410,711</u>	<u>\$ 1,908,341</u>	<u>\$ 11,642,453</u>	<u>\$ 71,393,640</u>
\$ 308,045	\$ -	\$ 4,373	\$ 306,804	\$ 1,113,731
-	-	-	-	175,434
-	-	-	80,132	80,132
-	-	-	-	11,526
<u>308,045</u>	<u>-</u>	<u>4,373</u>	<u>386,936</u>	<u>1,380,823</u>
<u>853,234</u>	<u>235,288</u>	<u>1,387,446</u>	<u>-</u>	<u>15,606,677</u>
<u>853,234</u>	<u>235,288</u>	<u>1,387,446</u>	<u>-</u>	<u>15,606,677</u>
-	-	-	30,000	7,839,130
1,570,873	175,423	516,522	1,411,986	36,016,472
-	-	-	500,000	500,000
-	-	-	9,313,531	9,313,531
-	-	-	-	737,007
<u>1,570,873</u>	<u>175,423</u>	<u>516,522</u>	<u>11,255,517</u>	<u>54,406,140</u>
<u>\$ 2,732,152</u>	<u>\$ 410,711</u>	<u>\$ 1,908,341</u>	<u>\$ 11,642,453</u>	<u>\$ 71,393,640</u>

CAPITAL CITY DEVELOPMENT CORPORATION**RECONCILIATION OF NET POSITION IN THE STATEMENT OF NET POSITION TO THE FUND BALANCE IN THE BALANCE SHEET****SEPTEMBER 30, 2020**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Total fund balance		\$ 54,406,140
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Cost of land	3,943,660	
Cost of construction in progress	465,189	
Cost of buildings, improvements, equipment and artwork	37,751,021	
Accumulated depreciation	<u>(17,693,900)</u>	24,465,970

Interest is expensed when paid on the Statement of Revenues, Expenditures and Changes in Fund Balances but is accrued as a payable on the Statement of Net Position.	(40,978)
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Proceeds from the theater parking validation agreement were recorded as revenue when received and available on the governmental fund statements however were amortized over the life of the agreement as advanced lease payments on the Statement of Net Position.

Theater validation proceeds	(1,741,920)	
Revenue amortized to date	<u>1,729,823</u>	(12,097)

Long-term liabilities applicable to the Agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.

Net pension liability	(982,123)	
Bonds payable - current	(3,670,000)	
Bonds payable - long-term	<u>(11,715,000)</u>	(16,367,123)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions:

Net difference between projected and actual investment earnings on pension plan investments	112,570	
Changes of assumptions	16,610	
Contributions made subsequent to measurement date	42,910	
Changes in proportionate share	19,775	
Differences between expected and actual experience	<u>76,734</u>	268,599

CAPITAL CITY DEVELOPMENT CORPORATION**RECONCILIATION OF NET POSITION IN THE STATEMENT OF NET POSITION TO THE FUND BALANCE IN THE
BALANCE SHEET****SEPTEMBER 30, 2020**

Deferred inflows of resources related to pensions:		
Changes in proportionate share	(1,836)	
Differences between expected and actual experience	<u>(32,068)</u>	(33,904)
Deferred charge on debt refunding		
Deferred economic loss on 2017 B Bonds	<u>39,562</u>	<u>39,562</u>
Net position for governmental activities		<u><u>\$ 62,726,169</u></u>

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund	Debt Service Fund	River Myrtle District RA Fund	Westside District RA Fund
REVENUES				
Lease	\$ -	\$ 103,111	\$ -	\$ 301,660
Interest	12,427	-	169,554	41,872
Other	61,735	-	439,686	64,034
Parking	-	-	-	28,225
Revenue allocation funds	-	-	10,921,158	4,004,237
Total revenues	74,162	103,111	11,530,398	4,440,028
EXPENDITURES				
Administrative expenses	2,780,920	-	-	-
Operating expenses	642,598	103,111	410,673	348,414
Capital outlay and related expenses	121,876	-	5,878,339	794,690
Debt service - principal	-	-	2,460,000	-
Debt service - interest	-	-	317,964	-
Total expenditures	3,545,394	103,111	9,066,976	1,143,104
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,471,232)	-	2,463,422	3,296,924
OTHER FINANCING SOURCES (USES)				
Interfund transfers	3,083,314	-	(738,097)	(754,090)
TOTAL OTHER FINANCING SOURCES (USES)	3,083,314	-	(738,097)	(754,090)
NET CHANGE IN FUND BALANCES	(387,918)	-	1,725,325	2,542,834
FUND BALANCES, BEGINNING OF YEAR	1,124,925	-	23,656,610	12,226,029
FUND BALANCES, END OF YEAR	\$ 737,007	\$ -	\$ 25,381,935	\$ 14,768,863

30th District RA Fund	Shoreline District RA Fund	Gateway East District RA Fund	Parking Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 328,629	\$ 733,400
11,241	770	1,406	68,939	306,209
-	-	-	49,094	614,549
-	-	-	5,891,027	5,919,252
800,108	116,217	718,793	-	16,560,513
<u>811,349</u>	<u>116,987</u>	<u>720,199</u>	<u>6,337,689</u>	<u>24,133,923</u>
-	-	-	-	2,780,920
2,195	-	18,347	2,388,730	3,914,068
309,581	-	39,856	1,219,131	8,363,473
-	-	-	1,095,000	3,555,000
-	-	-	286,188	604,152
<u>311,776</u>	<u>-</u>	<u>58,203</u>	<u>4,989,049</u>	<u>19,217,613</u>
499,573	116,987	661,996	1,348,640	4,916,310
<u>(172,194)</u>	<u>58,436</u>	<u>(145,474)</u>	<u>(1,331,895)</u>	<u>-</u>
<u>(172,194)</u>	<u>58,436</u>	<u>(145,474)</u>	<u>(1,331,895)</u>	<u>-</u>
327,379	175,423	516,522	16,745	4,916,310
<u>1,243,494</u>	<u>-</u>	<u>-</u>	<u>11,238,772</u>	<u>49,489,830</u>
<u>\$ 1,570,873</u>	<u>\$ 175,423</u>	<u>\$ 516,522</u>	<u>\$ 11,255,517</u>	<u>\$ 54,406,140</u>

CAPITAL CITY DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		\$ 4,916,310
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,003,162	
Depreciation	<u>(1,174,132)</u>	(170,970)

Proceeds from the prepaid theatre validations were recorded as revenue when received on the Governmental Fund Statements but amortized over the life of the theatre validation agreement for the Statement of Activities and recorded as unavailable revenue on the Statement of Net Position.		145,160
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Amortize deferred economic gain (loss) on refunded debt		
Current year loss - 2017 B Refunding	<u>(19,261)</u>	(19,261)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net position. In addition, interest expense is not recognized in the governmental funds until it is due, but is recognized when payable in the Statement of Activities.

Princial payments of long-term debt	3,555,000	
Interest expense	<u>9,382</u>	3,564,382

In the Governmental funds, pension contributions are considered an expense, while on the Statement of Activities the contributions are considered a deferred outflow because they are made subsequent to the measurement date. The cost of pension benefits earned net of employee contribution is reported as pension expense.

Adjustments to pension contribution	183,265	
Pension expense related to net pension liability	<u>(387,504)</u>	<u>(204,239)</u>

Changes in net position of governmental activities		<u>\$ 8,231,382</u>
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CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

Capital City Development Corporation (the Agency) is an urban renewal agency created by the City of Boise (the City) under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body, corporate and politic. The Agency provides urban renewal services to the City of Boise and its citizens but is not a component unit of the City. The commissioners are appointed by the Mayor and approved by City Council. These statements present only the funds and account groups of the Agency in conformity with generally accepted accounting principles.

Urban Renewal Districts

The Agency currently has five urban renewal districts: River Myrtle/Old Boise District, Westside District, 30th Street District, Shoreline District, and Gateway East District.

River Myrtle/Old Boise District – the City’s largest district, was established in 1996 and will end in fiscal year 2025.

Westside District – was established in 2003 and will end in fiscal year 2026.

30th Street District –was established in 2014 and will end in fiscal year 2033.

Shoreline District –was established in 2019 and will end in fiscal year 2039.

Gateway East District –was established in 2019 and will end in fiscal year 2039.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Agency reports the following major governmental funds:

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund currently accounts for the activities related to the Ada County Courthouse Corridor project ground lease transactions.

River Myrtle/Old Boise District Revenue Allocation Special Revenue Fund – The River Myrtle/Old Boise District accounts for the revenues derived from the revenue allocation area within the River Myrtle/Old Boise District and was established as a funding mechanism to provide public infrastructure improvements. The revenues are first pledged to repay the Series 2017 A Redevelopment Bond, the 2017 B Refunding Redevelopment Bond and the 2011 B Revenue Refunding Note. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Westside Revenue District Allocation Special Revenue Fund – The Westside District accounts for the revenues derived from the revenue allocation area within the Westside District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

30th Street District Revenue Allocation Special Revenue Fund - The 30th Street District accounts for the revenues derived from the revenue allocation area within the 30th Street District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Shoreline District Revenue Allocation Special Revenue Fund - The Shoreline District accounts for the revenues derived from the revenue allocation area within the Shoreline District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Gateway East District Revenue Allocation Special Revenue Fund - The Gateway East District accounts for the revenues derived from the revenue allocation area within the Gateway East District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Parking Special Revenue Fund – This fund includes the parking activities of the Agency's six structure public parking facilities and the 250 parking spaces acquired at 11th & Front garage in fiscal year 2018. The six structure public parking facilities are: Capitol & Front garage (formerly named Boulevard garage), Capitol & Main garage (formerly Capitol Terrace), 9th & Front garage (formerly City Centre), 9th & Main garage (formerly Eastman), 10th & Front garage (formerly Grove Street) and Capitol & Myrtle garage (formerly Myrtle Street). The revenues of the Parking Fund are pledged to support the operations of the Fund. Net parking revenues are otherwise unrestricted and are used for repayment of the Series 2011 B, 2017 A and 2017 B debt, parking system operations and maintenance and are also available for general Agency use.

General Fund – This fund includes the personnel costs for Agency staff, general office operations as well as downtown-wide activities and program delivery.

As mentioned the effect of inter-fund activity has generally been eliminated from the government-wide financial statements. Amounts reported as program revenues include: 1) charges for services, or privileges provided, 2) operating grants and contributions (which includes various reimbursements), and 3) capital grants and contributions (which includes reimbursement from Ada County for the Courthouse Corridor development project). Internally dedicated resources are reported as general revenues rather than as program revenues. When applying revenues to a program for which unrestricted and restricted revenues are used, restricted revenues are applied first.

Cash and Cash Equivalents

Cash represents all cash on hand and in banks. Investments with original maturities of three months or less from the date of acquisition are also considered cash and cash equivalents.

Investments

Investments are stated at fair value, as determined by quoted market prices, except for any certificates of deposit, which are non-participating contracts, and are therefore carried at amortized cost. Interest earned is allocated on a basis of average investment balance. Idaho Code provides authorization for the investment of funds as well as to what constitutes an allowable investment. The Agency policy for investment of idle funds is consistent with Section 50-1013, Idaho Code.

Idaho Code limits investments of public funds to the following general types:

Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.

Time deposit accounts, tax anticipation and interest-bearing notes.

Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies.

Repurchase agreements secured by the above.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

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Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency limits its investments to institutions that are registered with the State of Idaho Department of Finance that adhere to the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Non-bank broker/dealer firms and individuals doing business with the Agency must be registered with the National Association of Securities Dealers.

At year end, the carrying amount of the Agency's deposits was \$26,938,511 and the bank balance was \$28,289,411. Of the bank balance \$250,000 was covered by federal depository insurance; in addition Federal Home Loan Bank of Cincinnati issued a letter of credit that would allow the Agency to draw up to \$41,000,000 or the amount of the deposit balance, in the event of bank default. All cash is held in national financial institutions located in Ada County.

Concentration of Credit Risk

Per GASB Statement No. 40, *Concentration of Credit Risk* is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Agency's policy is to avoid concentration in securities from a specific issuer or business sector other than U.S. Securities. However, the policy does not specifically limit the concentration in any single issuer. No single issuer exceeded 5% of the Agency's total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The weighted average maturity of the Local Government Investment Pool is 158 days as of September 30, 2020.

Property Taxes (Tax Increment Revenue) Receivable

Property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures.

Available tax proceeds include property tax receivables expected to be collected within sixty days after year end. Property taxes attach as liens on properties on January 1, and are levied in September of each year. Tax notices are sent to taxpayers during November, with tax payments scheduled to be collected on or before December 20. Taxpayers may pay all or one half of their tax liability on or before December 20, and if one half of the amount is paid, they may pay the remaining balance by the following June 20. Since the Agency is on a September 30 fiscal year end, property taxes levied during September for the succeeding year's collection are recorded as unearned revenue at the Agency's year end and recognized as revenue in the following fiscal year. Ada County bills and collects taxes for the Agency.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

The Agency received property taxes during the current fiscal year in the amounts of \$10,921,158 from the River-Myrtle/Old Boise District, \$4,004,237 from the Westside District and \$800,108 from 30th Street District, \$116,217 from Shoreline District, and \$718,793 from Gateway East District.

Accounts Receivable

The Agency provides credit based on contractual agreements in the normal course of business. An allowance for doubtful accounts is based on management's review of the outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are past due based on the terms of the contracts and interest is charged on overdue receivables on a case-by-case basis as allowed by the contracts. Based on management's review of accounts receivable, no allowance was deemed necessary as of September 30, 2020.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation is computed using the straight-line method, over the estimated useful lives of the assets as follows:

	Estimated Useful Life (Years)
Buildings	30 - 45
Improvements	10 - 45
Parking equipment	7
Office furniture and equipment	3 - 10

Property Held for Resale or Development

Property held for resale or development includes several properties in the River Myrtle/Old Boise and Westside Districts and reflected in the accompanying balance sheets. In furtherance of the Agency's purpose of redeveloping downtown Boise, these properties may be disposed of for consideration that is substantially less than carrying value.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources and Unavailable Revenue

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the Government-Wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred inflows related to pensions reported in the Government-Wide Statement of Net Position. See Note 6 for details of deferred inflows related to pensions.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflows related to pensions reported in the Government-Wide Statement of Net Position. See Note 6 for details of deferred inflows related to pensions.

Fund Equity

The Agency established accounting policies related to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds to make the nature and extent of the constraints placed on a government's fund balance more transparent. Accordingly, the beginning fund balance of certain government funds have been restated. The governmental fund types classify fund balances as follows:

Fund balance is reported as nonspendable when the resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a nonspendable form such as inventories, prepaid accounts, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Agency Board of Commissioners passes an ordinance or resolution that places specific constraints on how the resources may be used. The Board of Commissioners can modify or rescind the ordinance or resolution at any time through passage of an additional ordinance or resolution, respectively.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Fund balance is reported as assigned when it is intended for a specific purpose and the authority to “assign” is delegated to the Agency’s Executive Director.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The Board of Commissioners is the Agency’s highest level of decision making authority. The Board adopted the Fund Balance Policy that recommends a spending order of restricted, committed, assigned and then unassigned unless the Board approves otherwise.

Per the guidance in the policy, the Board established that an emergency repair reserve in the minimum amount of \$500,000 shall be on hand as of September 30th of each fiscal year in the Parking fund. Funds within this reserve may be used intra-fiscal year for unforeseen, non-routine repair and maintenance expenditures in the garages when failure to do such repair and maintenance could adversely affect life safety or the ability to operate the garage(s) normally in the immediate future. The Board will evaluate the emergency repair reserve amount as part of each fiscal year’s budget process and may amend the amount by resolution as it deems appropriate. The balance in the Parking Emergency Repair Reserve fund as of September 30, 2020 was \$500,000.

The Board further determined that it may be appropriate to set aside funds apart from working capital for a future project or initiative pursuant generally to the budget and related documents such as the capital improvement plan and parking reinvestment program. The Board delegated its authority to assign funds in this manner to the Executive Director. As of September 30, 2020, \$9,313,531 was assigned in the Parking fund for parking reinvestment projects and commitments budgeted in fiscal year 2020.

Estimates

The preparation of the Agency's financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the report relate to the estimated net pension liability. It is reasonably possible that the significant estimates used will change within the next year.

Note 2 - Restricted Assets

The Agency has five revenue allocation funds, one for each of its four revenue allocation districts. Title 50, Chapter 20 and Chapter 29 of Idaho Code delineates the purposes for which revenue allocation funds may be spent by urban renewal agencies, along with the purposes set forth in the Agency’s several urban renewal plans. Since the use of funds is proscribed in statute, the fund balance of the revenue allocation funds is considered restricted under the definitions provided in GASB Statement 54. Therefore, fund balance in its entirety is reported as restricted on the fund financial statements.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

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Restricted fund balances as of September 30, 2020:

River Myrtle District Revenue Allocation Fund	\$ 25,312,195
Westside District Revenue Allocation Fund	7,029,473
30th Street District Revenue Allocation Fund	1,570,873
Shoreline District Revenue Allocation Fund	175,423
Gateway East District Revenue Allocation Fund	516,522
Parking Fund	1,411,986

The restricted balance in the Parking fund is restricted for reserves on the outstanding bonds. Restricted assets consist of cash and investments held by the Agency's agent in the Agency's name. Investments are generally held until maturity. The bond resolutions limit investments to certain types of securities which meet defined standards.

Note 3 - Interfund Transfers

Interfund transfers are made for one primary purpose. Transfers are made as a method of allocating the costs of program operations to their respective funds. The program operations costs are shown in the General Fund.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	September 30, 2019	Additions	Deletions	Transfers	September 30, 2020
Governmental Activities					
<i>Capital assets, not depreciated</i>					
Land	\$ 3,943,660	\$ -	\$ -	\$ -	\$ 3,943,660
Construction in progress	181,755	465,189	-	(181,755)	465,189
	<u>4,125,415</u>	<u>465,189</u>	<u>-</u>	<u>(181,755)</u>	<u>4,408,849</u>
<i>Capital assets, depreciated</i>					
Buildings	32,867,324	206,628	-	90,212	33,164,164
Improvements other than buildings	3,795,373	190,689	-	91,543	4,077,605
Equipment	368,596	140,656	-	-	509,252
Total	<u>37,031,293</u>	<u>537,973</u>	<u>-</u>	<u>181,755</u>	<u>37,751,021</u>
<i>Less accumulated depreciation</i>					
Buildings	(13,955,435)	(718,904)	-	-	(14,674,339)
Improvements other than buildings	(2,294,635)	(374,044)	-	-	(2,668,679)
Equipment	(269,698)	(81,184)	-	-	(350,882)
Total	<u>(16,519,768)</u>	<u>(1,174,132)</u>	<u>-</u>	<u>-</u>	<u>(17,693,900)</u>
<i>Total depreciated capital assets, net</i>	<u>20,511,525</u>	<u>(636,159)</u>	<u>-</u>	<u>181,755</u>	<u>20,057,121</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 24,636,940</u>	<u>\$ (170,970)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,465,970</u>

CAPITAL CITY DEVELOPMENT CORPORATION**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED SEPTEMBER 30, 2020**

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities

Parking	\$ 1,123,629
Community Development	50,503

Note 5 - Long-Term Debt

At September 30, 2020, long-term debt consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
2011 B	\$ 6,025,000	\$ -	\$ (1,095,000)	\$ 4,930,000	\$ 1,150,000
2017 A	9,215,000	-	(1,760,000)	7,455,000	1,800,000
2017 B	3,700,000	-	(700,000)	3,000,000	720,000
	<u>\$ 18,940,000</u>	<u>\$ -</u>	<u>\$ (3,555,000)</u>	<u>\$ 15,385,000</u>	<u>\$ 3,670,000</u>

The 2011 B Revenue Refunding Note was issued through the Boise City Housing Authority, is tax exempt but subject to the alternative minimum tax and has a fixed rate of 4.75% and matures on September 1, 2024.

The Series 2017 A Bond is tax exempt with a fixed rate of 2.32% that matures on September 1, 2024.

The Series 2017 B Bond is tax exempt with a fixed rate of 2.82% that matures on September 1, 2024.

There are certain restrictive covenants, coverage requirements and ratios associated with the Agency's bonds and notes. As of September 30, 2020, the Agency is in compliance with these requirements.

The annual requirements to retire the debt for the 2011 B Note, 2017 A Bond and 2017 B Bond as of September 30, 2020 are shown below.

	Governmental Activities	
	Principal	Interest
2021	\$ 3,670,000	\$ 491,731
2022	3,780,000	375,042
2023	3,905,000	254,486
2024	<u>4,030,000</u>	<u>129,472</u>
Total	<u>\$ 15,385,000</u>	<u>\$ 1,250,731</u>

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Note 6 - Pension Plan

Plan Description

The Agency contributes to the Public Employee Retirement System of Idaho (PERSI or System) Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the PERSI Retirement Board. The Base Plan covers substantially all employees of the State of Idaho and a variety of participating local and special district political subdivisions. As a special purpose unit of local government the Agency is an eligible public employer and Agency employees are eligible public employees. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information. That report may be obtained at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the PERSI Retirement Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens, but not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits for eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2020 it was 7.16% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees.

The Agency's contributions were \$184,578 for the year ended September 30, 2020.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2020, the Agency reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2020, the Agency's proportion was 0.0422940% compared with 0.0422401% at July 1, 2019.

For the year ended September 30, 2020, the Agency recognized pension expense of \$387,504. At September 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 76,734	\$ 32,068
Changes in assumptions or other inputs	16,610	-
Net difference between projected and actual earnings on pension plan investments	112,570	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	19,775	1,836
Agency's contributions subsequent to the measurement date	42,910	-
Total	<u>\$ 268,599</u>	<u>\$ 33,904</u>

An amount reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date totaling \$42,910 will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the Base Plan (active and inactive employees) determined at July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 4.7 years.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Years ended September 30,</u>	
2021	\$ 9,233
2022	48,769
2023	60,508
2024	73,275

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of normal payroll costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases**	3.75 percent
Salary inflation*	3.75 percent
Investment rate of return-net of investment fees	7.05 percent
Cost of living (COLA) adjustments	1.00 percent

*3.75 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012.

**There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

CAPITAL CITY DEVELOPMENT CORPORATION**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED SEPTEMBER 30, 2020**

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Capital Market Assumptions from Callen 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows is used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.05 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 percent) or 1-percentage-point higher (8.05 percent) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	<u>\$ 2,014,064</u>	<u>\$ 982,123</u>	<u>\$ 128,875</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained at www.persi.idaho.gov.

Payables to the Pension Plan

At September 30, 2020, the Agency reported payables to the defined benefit pension plan of \$5,626 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Defined Contribution – PERSI Choice 401(k)

Employees of the Agency participating in the PERSI Base Plan may enroll in the PERSI Choice 401(k) defined contribution retirement savings plan available to active members. Participation is voluntary. The PERSI Choice 401(k) is intended to be a governmental plan within the meaning of Code Section 414 (d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act (ERISA) and as such, is exempt from provisions of Title I ERISA. The Agency will match participants' contributions in the PERSI Choice 401(k) up to 4% of base annual salary. A participant shall be 100% vested in their individual account at all times. The authority of the benefit and contribution terms are established and amended by the PERSI Board. The Agency recognized \$59,012 contributions to the PERSI Choice 401(k) as benefits expense during the year ended September 30, 2020. The Agency recognized \$0 for the employer's liability outstanding for contributions for the period ended September 30, 2020.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

Note 7 - Leases

Advance Lease Payments

In 2008, the Agency entered into an agreement with Bodo Development, LLC to provide theatre parking validation through November 30, 2020. All funds for this agreement were received by the Agency in the initial year of the agreement. This revenue is being amortized ratably over the life of the agreement on the government-wide financial statements.

Lease Expense

The Agency is a party to the following operating leases:

The Agency renewed the lease for its office space on October 1, 2018. The lease term expires on September 30, 2021. Monthly rent is \$13,272 for the first year, \$13,621 for the second year and \$13,970 for the third year.

The Agency entered into the lease for Trailhead office space on February 1, 2015. Trailhead is a non-profit entrepreneurial resource center supported by the Agency, City of Boise and private sector partners. The original lease term expired on January 31, 2020 and it was renewed through January 31, 2022. Current monthly rent is \$15,250.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Lease Other

In fiscal year 2016, the Agency entered into a Termination Agreement and Mutual Release with Civic Partners Idaho, LLC and Ada County. The Termination Agreement terminates the Sublease Agreements with Civic Partners and all interest that Civic Partners has in and to the subleased properties. In fiscal year 2020, the Agency made a total payment of \$169,457 for rent. These payments and future payments of the rent for the parcels that Civic Partners defaulted on in 2016 allow the Agency to retain full lessee authority concerning the units and parcels under the two ground leases. Total ground lease expense for the year ended September 30, 2020, was \$272,568.

	<u>Master Ground</u>	<u>Office Facility</u>
2021	\$ 276,972	\$ 350,640
2022	282,044	106,750
2023	295,672	-
2024	368,853	-
2025	374,125	-
2026-2030	1,709,141	-
2031-2035	549,105	-
2036-2040	636,569	-
2041-2045	737,954	-
2046-2050	855,480	-
2051-2055	991,746	-
2056-2060	1,149,708	-
2061-2065	1,332,826	-
2066-2070	1,545,108	-
2071-2075	1,791,205	-
2076-2080	2,076,498	-
2081-2085	2,407,235	-
2086-2090	2,790,640	-
2091-2095	3,235,120	-
2096-2098	1,809,908	-
	<hr/>	<hr/>
Total	<u>\$ 25,215,909</u>	<u>\$ 457,390</u>

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

Note 8 - Commitments and Contingencies

The Agency entered into a Memorandum of Understanding (MOU) and related agreements with the City of Boise for the non-profit Trailhead Entrepreneurial Resource Center. The Agency and the City have been working together to encourage private investment within the City by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise. Trailhead was established in February 2015 by the Agency and the City to accomplish this goal. The Agency agreed to take responsibility for the rent and maintenance of the office space occupied by Trailhead at 500 South 8th Street. See Note 7 for details of the lease for Trailhead office space. During the fiscal year 2020, a total of \$180,193 has been made for rent and maintenances. As of September 30, 2020, a total of \$971,675 has been paid to landlord and other vendors since the MOU was executed.

The Agency entered into an Owner's Participation Agreement (OPA) and related agreements with Pennbridge Bodo, LLC, the developer of the Residence Inn by Marriott – a 10-story extended stay hotel of approximately 186 hotel rooms, conference room, fitness area, pool, a third floor patio and bar, and 103 parking spaces in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$25 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$875,897 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project was completed in fall 2017. Payments are expected to be made over four years from fiscal year 2019 to 2022. During the fiscal year 2020, a total of \$254,060 was paid. As of September 30, 2020, total payments of \$538,345 have been made.

The Agency entered into an OPA and related agreements with Boise Hotel Investors, LLC, the developer of the Hyatt Place – a 5-story hotel of approximately 150 hotel rooms, conference rooms, fitness area, spa, and eating area in the Westside district. The project was estimated by the developer to have a total value of \$20 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$452,463 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in summer 2017. Payments are expected to be made over four years from fiscal year 2019 to 2022. During the fiscal year 2020, a total of \$101,854 was paid. As of September 30, 2020, total payments of \$192,773 have been made.

The Agency entered into an OPA and related agreements with 5th and Idaho Development, LLC, the developer of the 5th and Idaho Apartments (The Gibson), a mixed-use, 5-story project consisting of approximately 81 studio one and two bedroom apartments, 82 underground parking stalls, 3,000 square feet of retail space, and a 3,600 square foot public park facing Idaho Street in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$13 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,155,000 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in the fall of 2017 and completed in 2019. During the fiscal year 2020, a total of \$170,979 was paid. As of September 30, 2020, total payments of \$914,595 have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

The Agency entered into an OPA and related agreements with BVGC Parcel B, LLC, the developer of Pioneer Crossing (previously known as Parcel B), a completed mixed-use development consisting of retail space, office space, other commercial uses and a 839-space parking garage in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$46 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$9,688,625 for public improvements (\$4,288,625) and purchase of 250 parking spaces (\$5,400,000) to be available to the public in the 11th and Front parking garage. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. During fiscal year 2020, a payment of \$612,453 was made for the public improvements reimbursement. As of September 30, 2020, total payments of \$6,288,873 have been made.

The Agency entered into an OPA and related agreements with JRS properties III, LP, the developer of JUMP building and JR Simplot Company Offices – a mixed-use development consisting of multiple buildings and facilities to be known as “Jack’s Urban Meeting Place” and the JR Simplot Corporate Headquarters in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$215 million (JUMP \$70 million tax exempt and JR Simplot Company Offices \$145 million) upon completion. The Agency's financial participation is an anticipated amount not to exceed \$875,000 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in 2018. Payments are expected to be made over four years from fiscal year 2020 to 2023. During fiscal year 2020, the first and final payment of \$875,000 has been made.

The Agency entered into a Type 4 Capital Improvements Reimbursement Agreement with Northwest Integrity Housing Co., an Idaho nonprofit corporation (NIHC) and a Type 2 General Assistance Participation Agreement with Adare Manor, LLC, an Idaho Limited Liability Company. NIHC is Managing Member for the Adare Manor Apartments, a mixed-use project including retail space along Fairview Avenue and 25th Street and 134 units affordable housing in the 30th Street District. The project is estimated by the developer to have a total value of \$20.5 million upon completion. The Agency's financial participation was an anticipated amount not to exceed \$563,598 for public improvements (\$285,196) over the course of four years after the project is complete and for undergrounding utilities improvement (\$278,402). The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in 2019. During fiscal year 2020, a total of \$278,402 has been paid to the developer for the undergrounding utilities improvement.

The Agency entered into a Type 3 Transformative Assistance Agreement and a parking permit purchase agreement with Front Street Investors, LLC, the developer of 6th and Front project, a mixed-use development consisting of a 7-story hotel with 138 rooms and a parking garage with 540 parking spaces in the River-Myrtle/Old Boise District. The project is estimated by the developer to have a total value of \$43 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$3,998,439 for public improvements (\$1,568,439) over the course of four years after the project is complete and purchase of 200 monthly parking permits for seven years to for public parking (\$2,520,000). The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The garage portion of the project was completed in 2020 and the hotel is expected to be completed in 2021. During fiscal year 2020, a total of \$150,000 has been made with the purchase of 200 monthly parking permits from May to September 2020.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

The Agency entered into an OPA and related agreements in fiscal year 2019 with The Cartee Project, LLC, the developer of The Cartee – a 163-unit, 8-floor residential apartment project in the River-Myrtle/Old Boise District and the city's Central Addition area. The project is estimated by the developer to have a total value of \$48 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,394,035 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in July 2019 and is expected to complete in 2021. Payments are expected to be made over three years from fiscal year 2023 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2019 with Boise Caddis, LLC, the developer of Boise Caddis – a 173-unit residential apartment project with 394 structured parking spaces and 4,000 square feet of ground floor retail space in the River-Myrtle/Old Boise District and in Boise's Central Addition district. The project is estimated by the developer to have a total value of \$31 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,122,334 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in fall 2019 and is expected to complete in summer 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2019 with 11th & Idaho Partners, LLC, the developer of 11th & Idaho Office Building – 9-stories with approximately 10,000 square feet of lobby, retail and office space on the ground floor, approximately 170,000 square feet of floor 2 to 9 being Class A office space in the Westside district. The project is estimated by the developer to have a total value of \$40 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$740,690 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in August 2019 and is expected to complete in 2021. Payments are expected to be made over three years from fiscal year 2022 to 2024. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with CDG Acquisitions, LLC, the developer of a mixed-use building on 204 and 270 E Myrtle Street consisting of approximately 249 rental apartments, indoor and outdoor community amenities, 7,800 square feet of ground floor retail and a 353 space structured parking garage. The project is in the River-Myrtle/Old Boise district. The project is estimated by the developer to have a total value of \$52 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$988,276 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to start construction in November 2020 and is expected to complete in winter 2022. Payments are expected to be made over three years from fiscal year 2023 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 600 Vanguard, LLC, the developer of a mixed-use building on 600 W. Myrtle Street consisting of approximately 75 rental apartments, indoor and outdoor community amenities and 2,600 square feet of ground floor retail. The project is in the River-Myrtle/Old Boise district. The project is estimated by the developer to have a total value of \$16 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$497,674 for public improvements over the course of four years after the project is complete. The OPA sets out conditions

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

the developer must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 9025 Federal, LLC, the developer of a mixed-use office/industrial building on 9025 S. Federal Way consisting of three office suites, two warehouse bays and 30 surface parking stalls. The project is in the Gateway East district. The project is estimated by the developer to have a total value of \$2.1 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$92,113 for public improvements over the course of six years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. Payments are expected to be made over six years from fiscal year 2022 to 2027. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 6th and Grove Limited Partnership, the developer of a mixed-use building on 116 S 6th Street, a 7-story building that will house 60 income-restricted and market-rate apartments, 5,000 square feet of ground floor commercial space and 9,000 square feet of office space. The project is in the River-Myrtle/Old Boise district. The project is estimated by the developer to have a total value of \$15 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$597,848 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 5th and Grove Investors, LLC, the developer of a mixed-use building on 512 W. Grove Street – 6 story building that will house 114 market-rate apartments, 8,000 square feet of ground floor retail space and amenity space including a rooftop patio. The project is in the River-Myrtle/Old Boise district. The project is estimated by the developer to have a total value of \$25.5 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,111,347 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with Boise Gateway 1, LC. The developer constructed a 168,000 square foot industrial building at 9605 S. Eisenman Road with related infrastructure and site improvement. The project is in the Gateway East district. The project was estimated by the developer to have a total value of \$12.8 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$426,144 for public improvements over the course of five years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in summer 2020. Payments are expected to be made over five years from fiscal year 2022 to 2026. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with Main Eleven LLC, the owner of the property on 1015 W. Main Street. The owner intends to modernize the alley drive-ramp on West 11th Street to meet ADA accessibility standards. The project is the Westside district. The Agency's financial participation is an anticipated amount not to exceed \$22,612 for public improvements after the project is complete. The OPA

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. As of September 30, 2020, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with FireFusion Studio LLC, the owner of the property on 1322 W. Main Street. The owner is renovating public improvements on the streetscape. The project is the Westside district. The Agency's financial participation is an anticipated amount not to exceed \$54,367 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to complete in 2021. As of September 30, 2020, no payments have been made.

Note 9 - Significant Contractual Agreements

The Agency is party to numerous agreements related to the development of the parcels in the Ada County Courthouse Corridor. In 2011, the various agreements were amended to facilitate the refunding of the 2002 B bonds with the 2011 B Revenue Refunding Note. The Business Terms Sheet/Funds Flow calculation was one of the agreements amended. Under the terms of the amended agreement, the tax increment guarantee for the Idaho Place parcels was restated as \$245,000 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the guarantee amount for any actual increment received from the subject parcels. The supplemental rent obligation on the apartment parcels in the Courthouse Corridor is stated in the Business Terms Sheet as \$289,865 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the supplemental rent amount for any actual increment received from the apartment parcels. During fiscal year 2020, the tax increment guarantee and supplemental rent obligations in the amounts of \$68,085 and \$103,493 were received in full.

As part of the Ada County Courthouse Corridor project and under the terms of the associated Second Amended and Restated Master Sublease, the Agency subleased two parcels (parcels 4 and 5) to Civic Partners Idaho, LLC. Similarly, under the terms of the Amended and Restated Parcel 1 Sublease, the Agency subleased two Courthouse Corridor project condominium units (units 401 and 102) to Civic Partners. Civic Partners failed to make the April 1, 2015 and July 1, 2015 quarterly lease payments as required by the agreements and failed to timely cure the defaults. The Agency declared the leases terminated on October 2, 2015 and initiated action to take possession of the properties as permitted under the leases. On May 10, 2016, the Agency, Civic Partners, and Ada County entered into a Termination Agreement and Mutual Release (Termination Agreement). The Termination Agreement terminates the Sublease Agreements with Civic Partners and all interest that Civic Partners has in and to the subleased properties.

Note 10 - Pledged Revenues

The Agency has certain long-term debt obligations for which revenues have been pledged. The Agency issued the Series 2011 B Revenue Refunding Note to refund the 2002 B bonds. Amounts in the Series 2011 B note fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the note fund each month. The source revenues for the deposits into the note fund are revenue allocation from the River-Myrtle/Old Boise District and net parking revenues from the parking system. The 2011 B Revenue Refunding Note matures in 2024. The bond fund is pledged until the bonds mature. For the year ended September 30, 2020, the total debt service on this note was \$1,381,188.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

The Agency issued the Series 2017 A Redevelopment Bond in fiscal year 2017. Amounts in the Series 2017 A bond fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the River-Myrtle/Old Boise District and net parking revenues from the parking system. The Series 2017 A bond matures in 2024. The bond fund is pledged until the bond matures. For the year ended September 30, 2020, the total debt service on this bond was \$1,973,677.

The Agency issued the Series 2017B Bond to refund the 2010B Bond. Amounts in the Series 2017B Bond fund are pledged to support this debt. One-twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the River Myrtle/Old Boise District and net parking revenues from the parking system. For the year ended September 30, 2020, the total debt service on these bonds was \$804,287.

Note 11 - Conduit Debt

On April 29, 2016, the Agency authorized the issuance of its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project), in the aggregate principal amount of \$23,085,000. The proceeds of the bonds were used to expand and improve the "Boise Centre", an existing convention center and public event facility in downtown Boise operated by the Greater Boise Auditorium District (the District), to pay bond issuance costs, to fund capitalized interest and to fund a reserve fund. The Series 2016 Bonds was issued at a fixed rate range from 3.00% to 5.00%. The issuance is a conduit financing arrangement for the District. The Agency receives no benefit from the issuance of these bonds and has no liability. Therefore, the Agency has not recorded any benefit or liability. The first principal payment was scheduled and made on December 15, 2017. As of September 30, 2020, the unpaid principal balance is \$20,790,000.

Note 12 - Contingencies

COVID-19 Pandemic

During 2020, the world-wide coronavirus pandemic arrived in Idaho in mid-March 2020 and will continue to negatively impact local, national, and global economies well into 2021. Agency management is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the funds under management is not known.

CAPITAL CITY DEVELOPMENT CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	General Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ 20,000	\$ 20,000	\$ 12,427	\$ (7,573)
Other	49,000	49,000	61,735	12,735
Total revenues	69,000	69,000	74,162	5,162
EXPENDITURES				
Operating and administrative expenses	4,344,150	3,604,477	3,423,518	180,959
Capital outlay and related expenses	74,500	125,000	121,876	3,124
Total expenditures	4,418,650	3,729,477	3,545,394	184,083
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,349,650)	(3,660,477)	(3,471,232)	189,245
OTHER FINANCING SOURCES (USES)				
Interfund transfers	4,258,550	3,548,200	3,083,314	(464,886)
NET CHANGE IN FUND BALANCES	(91,100)	(112,277)	(387,918)	(275,641)
FUND BALANCES, BEGINNING OF YEAR	1,124,925	1,124,925	1,124,925	-
FUND BALANCES, END OF YEAR	\$ 1,033,825	\$ 1,012,648	\$ 737,007	\$ (275,641)

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	River Myrtle District RA Fund			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
REVENUES				
Interest	\$ 80,000	\$ 120,000	\$ 169,554	\$ 49,554
Other	4,437,500	436,000	439,686	3,686
Revenue allocation funds	11,250,000	10,773,078	10,921,158	148,080
Total revenues	15,767,500	11,329,078	11,530,398	201,320
EXPENDITURES				
Operating and administrative expenses	700,457	510,657	410,673	99,984
Capital outlay and related expenses	26,681,600	5,914,922	5,878,339	36,583
Debt service - principal	2,777,000	2,777,000	2,460,000	317,000
Debt service -interest	318,128	318,128	317,964	164
Total expenditures	30,477,185	9,520,707	9,066,976	453,731
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,709,685)	1,808,371	2,463,422	655,051
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,352,968)	(954,915)	(738,097)	216,818
Total other financing sources (uses)	(1,352,968)	(954,915)	(738,097)	216,818
NET CHANGE IN FUND BALANCES	(16,062,653)	853,456	1,725,325	871,869
FUND BALANCES, BEGINNING OF YEAR	23,656,610	23,656,610	23,656,610	-
FUND BALANCES, END OF YEAR	\$ 7,593,957	\$ 24,510,066	\$ 25,381,935	\$ 871,869

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	Westside District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Lease	\$ 341,511	\$ 341,511	\$ 301,660	\$ (39,851)
Interest	15,000	30,000	41,872	11,872
Other	1,000,000	-	64,034	64,034
Parking revenues	39,120	39,120	28,225	(10,895)
Revenue allocation funds	4,100,000	3,950,273	4,004,237	53,964
Total revenues	5,495,631	4,360,904	4,440,028	79,124
EXPENDITURES				
Operating and administrative expenses	447,500	356,300	348,414	7,886
Capital outlay and related expenses	24,331,700	1,718,257	794,690	923,567
Total expenditures	24,779,200	2,074,557	1,143,104	931,453
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,283,569)	2,286,347	3,296,924	1,010,577
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,022,052)	(887,050)	(754,090)	132,960
Net proceeds and payoffs, refunded debt	14,600,000	-	-	-
Total other financing sources (uses)	13,577,948	(887,050)	(754,090)	132,960
NET CHANGE IN FUND BALANCES	(5,705,621)	1,399,297	2,542,834	1,143,537
FUND BALANCES, BEGINNING OF YEAR	12,226,029	12,226,029	12,226,029	-
FUND BALANCES, END OF YEAR	\$ 6,520,408	\$ 13,625,326	\$ 14,768,863	\$ 1,143,537

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	30th Street District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ 5,000	\$ 9,000	\$ 11,241	\$ 2,241
Revenue allocation funds	800,000	787,908	800,108	12,200
Total revenues	805,000	796,908	811,349	14,441
EXPENDITURES				
Operating and administrative expenses	70,000	13,800	2,195	11,605
Capital outlay and related expenses	1,310,000	328,000	309,581	18,419
Total expenditures	1,380,000	341,800	311,776	30,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(575,000)	455,108	499,573	44,465
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(85,171)	(212,892)	(172,194)	40,698
NET CHANGE IN FUND BALANCES	(660,171)	242,216	327,379	85,163
FUND BALANCES, BEGINNING OF YEAR	1,243,494	1,243,494	1,243,494	-
FUND BALANCES, END OF YEAR	\$ 583,323	\$ 1,485,710	\$ 1,570,873	\$ 85,163

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	Shoreline District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ -	\$ 500	\$ 770	\$ 270
Revenue allocation funds	120,000	115,740	116,217	477
Total revenues	120,000	116,240	116,987	747
EXPENDITURES				
Operating and administrative expenses	165,000	3,000	-	3,000
Total expenditures	165,000	3,000	-	3,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,000)	113,240	116,987	3,747
OTHER FINANCING SOURCES (USES)				
Interfund transfers	57,415	64,518	58,436	(6,082)
NET CHANGE IN FUND BALANCES	12,415	177,758	175,423	(2,335)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 12,415	\$ 177,758	\$ 175,423	\$ (2,335)

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	Gateway East District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ -	\$ 700	\$ 1,406	\$ 706
Revenue allocation funds	710,000	727,159	718,793	(8,366)
Total revenues	710,000	727,859	720,199	(7,660)
EXPENDITURES				
Operating and administrative expenses	15,000	36,300	18,347	17,953
Capital outlay and related expenses	335,000	60,000	39,856	20,144
Total expenditures	350,000	96,300	58,203	38,097
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	360,000	631,559	661,996	30,437
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(127,756)	(177,410)	(145,474)	31,936
NET CHANGE IN FUND BALANCES	232,244	454,149	516,522	62,373
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 232,244	\$ 454,149	\$ 516,522	\$ 62,373

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2020**

	Parking Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Lease	\$ 88,032	\$ 350,000	\$ 328,629	\$ (21,371)
Interest	30,000	50,000	68,939	18,939
Other	-	3,900,000	49,094	(3,850,906)
Parking revenues	8,737,422	5,670,153	5,891,027	220,874
Total revenues	8,855,454	9,970,153	6,337,689	(3,632,464)
EXPENDITURES				
Operating and administrative expenses	2,946,801	2,691,776	2,388,730	303,046
Capital outlay and related expenses	3,318,500	1,423,000	1,219,131	203,869
Debt service - principal	1,095,000	1,095,000	1,095,000	-
Debt service - interest and fees	286,188	286,188	286,188	-
Total expenditures	7,646,489	5,495,964	4,989,049	506,915
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,208,965	4,474,189	1,348,640	(3,125,549)
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,819,118)	(1,492,728)	(1,331,895)	160,833
NET CHANGE IN FUND BALANCES	(610,153)	2,981,461	16,745	(2,964,716)
FUND BALANCES, BEGINNING OF YEAR	11,238,772	11,238,772	11,238,772	-
FUND BALANCES, END OF YEAR	\$ 10,628,619	\$ 14,220,233	\$ 11,255,517	\$ (2,964,716)

CAPITAL CITY DEVELOPMENT CORPORATION

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS

YEAR ENDED SEPTEMBER 30, 2020

Schedule of Employer's Share of Net Pension Liability PERSI - Base Plan Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's portion of net of the pension liability	0.0422940%	0.0422401%	0.0405570%	0.0397908%	0.0403932%	0.0361820%
Employer's proportionate share of the net pension liability	\$ 982,123	\$ 482,159	\$ 598,223	\$ 625,443	\$ 818,832	\$ 476,459
Employer's covered payroll	\$ 1,506,386	\$ 1,426,600	\$ 1,309,034	\$ 1,277,551	\$ 1,194,427	\$ 1,035,703
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	65.20%	33.80%	45.70%	48.96%	68.55%	46.00%
Plan fiduciary net position as a percentage of the total pension liability	82.22%	93.79%	91.69%	90.68%	87.26%	91.38%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those use for which information is available.

Data reported is measured as of June 30 of each year.

Schedule of Employer Contributions PERSI - Base Plan Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 184,578	\$ 166,029	\$ 153,809	\$ 140,234	\$ 135,975	\$ 124,326
Contributions in relation to the statutorily required contribution	\$ (189,706)	\$ (167,556)	\$ (152,231)	\$ (140,418)	\$ (133,983)	\$ (123,145)
Contribution deficiency (excess)	\$ (5,128)	\$ (1,527)	\$ 1,578	\$ (184)	\$ 1,992	\$ 1,181
Employer's covered payroll	\$ 1,567,710	\$ 1,446,855	\$ 1,346,870	\$ 1,222,892	\$ 1,202,851	\$ 1,096,499
Contributions as a percentage of covered payroll	12.10%	11.58%	11.30%	11.48%	11.14%	11.23%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those use for which information is available.

Data reported is measured as of September 30 of each year.

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Agency follows these procedures in establishing the budget:

1. Prior to August, the preliminary budget is reviewed by the Agency's Executive Committee.
2. The preliminary budget is revised, if necessary, prior to Board consideration.
3. The proposed budget is approved by the Board of Commissioners at its regular August meeting.
4. The proposed budget is published for public review.
5. The Board of Commissioners holds a special meeting including a public hearing on the budget in August.
6. The proposed budget is adopted by the Board of Commissioners prior to September 1.
7. The adopted budget is filed with the City of Boise.
8. October 1 begins the Agency's fiscal year.
9. Budget amendments, if any, require formal approval of the Agency's Board of Commissioners.

Note 2 - Summary of Significant Accounting Policies

The fiscal year 2020 budget was amended once during the year to reflect a restatement of appropriations in the adopted and amended budget.

Note 3 - Actuary Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases**	3.75 percent
Salary inflation	3.75 percent
Investment rate of return-net of investment fees	7.05 percent
Cost of living (COLA) adjustments	1.00 percent

*3.75 percent of 1.00 percent depending on whether the member was hired on or before July 1, 2012.

**There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service.

The Total Pension Liability as of June 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020. The District's proportionate share of changes in assumptions as of the measurement date totaled \$16,610.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Commissioners
Capital City Development Corporation
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Capital City Development Corporation (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Boise, Idaho
December 22, 2020



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AGENDA BILL

Agenda Subject: Ratify Executive Director approval of the Letter of Intent between Ada County and Capital City Development Corporation regarding the 3 rd and Front Street Project		Date: January 11, 2021
Contact: John Brunelle, Executive Director Ryan Armbruster, Elam & Burke	Attachments: Letter of Intent from Capital City Development Corporation to Ada County	
Action Requested: Ratify Executive Director approval of the Letter of Intent between Ada County and Capital City Development Corporation regarding the 3rd and Front Street Project.		

Background:

Capital City Development Corporation (“CCDC”) and Ada County partnered to develop the Courthouse Corridor Project (the “Corridor Project”), which consists of 14 acres from Broadway to west of 3rd Street, and north of Front Street. The Corridor Project became one of the cornerstones of the River Myrtle Urban Renewal Plan, adopted by the Boise City Council in 1994. An overall Master Plan governed the future development of the 14 acres. As a result of the partnership, along with others, development of the Corridor Project resulted in two apartment projects, two parking garages, the Courthouse/Administration Building, and the Idaho Water Center. As the River Myrtle Plan moves toward termination, CCDC continues to search for development opportunities for the remaining parcels of the Corridor Project.

One of the remaining parcels could provide a springboard to development in what is referred to as Parcel 9 or the Triangle lot along 3rd and Front. Currently, the County uses Parcel 9 for surface parking for the County’s employees. Over the past several months, CCDC staff reached out to Ada County staff to examine potential redevelopment of Parcel 9 along with redevelopment of adjacent parcels controlled by private entities. Ada County is analyzing its future needs for both the courts and Ada County Administration. One of those needs includes parking alternatives for the County and surrounding uses.

CCDC staff and Ada County staff prepared a non-binding letter of intent (“LOI”) that outlines the scope of a purchase and sale agreement, which would provide for the purchase of Parcel 9 by CCDC in order for CCDC to analyze development potential and how to leverage that parcel with other adjacent parcels to redevelop a larger area, which has been referred to as the 3rd and Front Street Project.

The Ada County Commissioners considered the LOI at its meeting on December 30, 2020. On behalf of CCDC, the Executive Director approved and signed the LOI on January 4, 2021, and submitted it to Ada County for review and approval. The Board of Ada County Commissioners formally approved the LOI at its meeting on January 5, 2021. Approval by the Board of County

Commissioners and ratification by the CCDC Board will allow the two public entity staffs to commence discussions on reaching a purchase and sale agreement. The LOI outlines the major issues which will be addressed by CCDC and the County through early April.

Fiscal Notes:

No Fiscal Impact as result of approval of the LOI other than staff and counsel activity to pursue the PSA.

Staff Recommendation:

Staff recommends the Agency Board ratify Executive Director approval of the LOI between Ada County and CCDC for the 3rd and Front Street Project.

Suggested Motion:

I move to ratify the Executive Director approval of the Letter of Intent between Ada County and Capital City Development Corporation for the 3rd and Front Street Project.



January 5, 2021

**LETTER OF INTENT FROM
CAPITAL CITY DEVELOPMENT CORPORATION
TO ADA COUNTY**

We are pleased to present this non-binding "Letter of Intent" to summarize some of the material terms proposed for a definitive "Purchase and Sale Agreement" documenting the purchase of the property below. In addition to the following deal-specific terms and conditions, the Purchase and Sale Agreement will contain representations, warranties, covenants, conditions, and indemnification provisions customary in transactions of this type. The proposed terms and conditions for the purchase of the Property as described below are as follows:

- Buyer:** Capital City Development Corporation (CCDC)
Attn: John Brunelle
121 North 9th Street, Suite 501
Boise, Idaho 83702
- Seller:** Ada County (County)
Attn: Jess Asla
Ada County Operations
Operations & Resources Director
200 Front St.
Boise, Idaho 83702
- Property:** Approximately 2.1 acres improved as a parking lot in Ada County, Idaho, Parcel #S1010427811 per the Ada County Assessor, generally as shown on attached Exhibit A.
- Purchase Price:** Fair market value based on appraisal performed by an Idaho licensed MAI appraiser selected by County and approved by CCDC.
- Earnest Money Deposit:** CCDC will deposit \$40,000 in escrow with First American Title Insurance Company within five (5) business days after execution of a Purchase and Sale Agreement.
- Parking:** After closing, CCDC will operate and provide daytime parking to the County on the Property in the maximum number of stalls currently used by the County until commencement of construction on the Property. Specific details regarding fees, dates of access and temporary parking options during construction to be discussed following execution of this Letter of Intent and prior to approval of a Purchase and Sale Agreement. Additionally, CCDC will grant the County a right of first refusal on reserving up to 400 parking spaces in the parking garage to be constructed as part of the contemplated development on the Property.

- Due Diligence Period:** CCDC to have ninety (90) days from the execution of the Purchase and Sale Agreement to perform due diligence at CCDC's sole cost and expense (the "Due Diligence Period"). The County will allow CCDC and its consultants access to the property in order to perform its due diligence. In the event CCDC elects to not move forward with the purchase during the Due Diligence period, CCDC will provide written notice to the County and the Earnest Money Deposit shall be fully refundable. If CCDC does not provide written notice of non-acceptance before the end of the of Due Diligence period, the entire earnest money deposit shall become nonrefundable and shall be applied to the purchase price, if closing occurs, except for a failure of a condition to close or the default of the County.
- Disclosure Materials:** The County will deliver to CCDC any materials related to the Property in the County's possession, including, but not limited to: any environmental studies and reports, survey, building plans, any current leases or rental agreements, previous title commitments, etc.
- Conditions to Closing:** Approval by the CCDC Board of Commissioners authorizing the acquisition of the Property from the County.
- Approval by the Board of County Commissioners authorizing the sale of the Property to CCDC.
- Closing:** Closing shall occur no later than fifteen (15) days following the expiration of the Due Diligence Period. Notwithstanding the above, CCDC may: (i) elect to proceed in writing prior to the expiration of its Due Diligence Period and closing will occur no later than fifteen (15) days after CCDC's election to proceed or (ii) extend the closing until such date as all conditions to Closing are satisfied or waived.
- Closing Costs:** All standard closing costs shall be shared by the parties on a 50/50 basis except the cost of the ALTA Standard Owners Coverage Title Insurance, which shall be the sole responsibility of the County. If CCDC desires any additional title coverage, it shall be the sole cost of the CCDC.
- Brokerage Commission:** CCDC does not contemplate using a brokerage representative. If the County uses a broker, the County will be responsible for its brokers' commission.

The purpose of this Letter of Intent is to outline the manner in which CCDC proposes to acquire the Property from the County. The parties recognize that the proposed terms of the transaction are non-binding and will require further documentation and approvals, including the preparation and approval of the Purchase and Sale Agreement. Nevertheless, the parties execute this Letter of Intent to evidence their intention to proceed to complete work required to negotiate terms of the Purchase and Sale Agreement that are generally consistent with this Letter of Intent. The parties shall not be contractually bound unless and until they enter into a formal, written Purchase and Sale Agreement, and neither party may rely on this Letter of Intent as creating any legal obligation of any kind, with the exception of creating the Exclusivity Period as set forth below.

Upon acceptance of this Letter of Intent by the County, the parties will use their best efforts to exclusively negotiate a Purchase and Sale Agreement no later than 5:00 p.m. MST on April 5, 2021 ("Exclusivity Period"). In consideration of, among other things, execution of this Letter of Intent and the parties' expected expenditure of time, effort and expense in preparation of a Purchase and Sale Agreement, the parties agree that, during the Exclusivity Period, the County ~~shall not enter into a purchase agreement, option agreement or other similar agreement to sell all or any portion of the Property.~~

The terms and conditions offered in this Letter of Intent are effective through January 12, 2021.

In the event that you should have any questions or require any additional information, please contact Ryan Armbruster at 208.395.7165 | rpa@elamburke.com.

Sincerely,

Capital City Development Corporation

By: 

John Brunelle, Executive Director

AGREED AND ACKNOWLEDGED:

Ada County

By: 

Its: Chair

Date: 1.5.2021

ATTEST:


Phil McGrane, Ada County Clerk

Exhibit A

Property





ADA COUNTY

COMMISSIONERS
OFFICE
200 W. Front Street
Boise, Idaho 83702
(208) 287-7000
Fax: (208) 287-7009
boccl@adacounty.id.gov
www.adacounty.id.gov

BOARD OF ADA COUNTY COMMISSIONERS
OPEN BUSINESS MEETING AGENDA
TUESDAY, JANUARY 5, 2021
9:00 A.M.
(*Time Posted Subject to Change)

- I. CALL TO ORDER (9:08 A.M.)
- II. ROLL CALL (ALL THREE WERE PRESENT)

ACTION ITEMS:

- III. CHANGES TO THE AGENDA (NONE)
- IV. UNFINISHED BUSINESS
1. Final Ranking and Request to Enter Fee Negotiations for RFQ 21010, Design and Construction Services for the Ada County Public Defenders Expansion and TI 2021
(Tabled from 12/22/20) (APPROVED TO ENTER FEE NEGOTIATIONS STARTING WITH NO. 1 RANKED FIRM)
- V. NEW BUSINESS

Public Hearing

1. Resolutions (4) (ALL APPROVED)
- a. Resolution No. 2591 - Resolution Designating a Portion (246.18 Acres) of Ada County Property, Commonly Known as the Redhawk Property, as Open Space and a Conservation Area
- b. Resolution No. 2596 - Resolution Adjusting the Ada County Budget to Reflect the Receipt of Unscheduled Revenue to the Clerk of the Court
- c. Resolution No. 2597 - Resolution Granting the Simplot Sports Complex Property to the City of Boise
- d. Resolution No. 2598 - Resolution Creating a Citizens Zoning Code Advisory Committee

Close Public Hearing

2. Proclamation (DESIGNATED)
- Designating January 2021 as Human Rights Month
3. Volunteer Board Appointments (ALL APPROVED)
- Citizens Zoning Code Advisory Committee
1. Lara Disney
2. Destine Hart

3. Jessica Bryant
 4. Jessica Harrold
 5. Alberto Del Toro
 6. Bill Rauer
 7. Tom Laws
 8. Kris Crookham
 9. Marisa Keith
4. Clerk's Office
5. Claims Journal **(PAYMENT AUTHORIZED)**
 - December 31, 2020
6. Personnel Action Forms (13 Conditional Pay Increases; 2 Miscellaneous; 2 POST Certification Increases; and 9 Promotions) **(ALL APPROVED)**
7. Assessor's Office
8. Tax Cancellations (14) (1 -2019; 12 -2020; 1 Casualty Loss) **(ALL APPROVED)**
- a. 2019 Property Roll
 - Means Jessica L R7777774800
 - b. 2020 Property Roll (10)
 1. Means Jessica L R7777774800
 2. Israel Trenton Jerrold R3515230190
 3. Jones Michael L R8441910780
 4. Lewis-Calkins Wendy Sue R4947190030
 5. Idaho Foundation for Parks & Land Inc S0928333101
 6. Lease Services P7LEASERV07
 7. Midland Equipment Finance P7MIDLAND03
 8. Stento Aubrey L R7108570115
 9. Oden Eric R9035100040
 10. Boswell Henry & Melynda Living Trust 7/15/19 R6934730290
 - c. 2020 Sub-Roll (2)
 1. Nelson Melissa S MFLEE191301
 2. Lee Jordan K R8528180120
 - d. Casualty Loss
 - Crawford, Hugh and Wendy R8309620140
9. Treasurer's Office
10. Approval of Minutes (*Authorize the Chair to Sign*) **(ALL APPROVED)**
- a. Open Business Meeting, 12/29/20
 - b. Indigent Services Hearing, 12/30/20
11. Weed and Pest (*Authorize the Chair to Sign*) **(ALL APPROVED)**
- Releases of Liens (2)
 1. Dembowski David 2020-140569 10/15/20
 2. Dembowski Rebecca 2020-140568 10/15/20

12. Agreements (6) (All Agreements FY21 Unless Otherwise Noted) (*Authorize the Chair to Sign the Appropriate Documents*) **(ALL APPROVED)**
- a. Agreement No. 14117 - Agreement Between Ada County and Our Path Home for Housing Services
 - b. Agreement No. 14118 - Letter of Intent Between Ada County and Capital City Development Corporation regarding 3rd and Front Street Project
 - c. Agreement No. 14119 - Agreement Between Ada County and Boise City for Conveyance of the Simplot Sports Complex
 - d. Agreement No. 12609-5-20 - Renewal Agreement Between Ada County and TriTech Software Systems for Licensing, Support and Maintenance of Computer Aided Dispatch and Mobile System
 - e. Agreement No. 12609-6-20 - Amended Agreement Between Ada County and TriTech Software Systems for Licensing, Support and Maintenance of Computer Aided Dispatch and Mobile System.
 - f. Agreement No. 13781-2-20 - Second Scope of Services Addendum to Master Consulting Services Agreement Between Ada County and Colliers Paragon, LLC
13. Miscellaneous
- Quitclaim Deed Transferring Parcel Nos. R1525750900, S1606212400, S0931438605, S1606120735, S0931438735 and S1606212410 to the City of Boise City **(APPROVED)**

VI. RECESS

(9:57 A.M.)



This meeting may be watched live at:

<https://www.youtube.com/channel/UCmREvet73vxhBFCffWCIEKA>

Executive Sessions may be held pursuant to Idaho Code § 74-206 as needed during regularly scheduled meetings. The purpose of such sessions shall be announced at the time such sessions are called.

Any person needing special accommodations to participate in the above noticed meeting should contact the Ada County Commissioners' Office prior to the meeting at 287-7000.

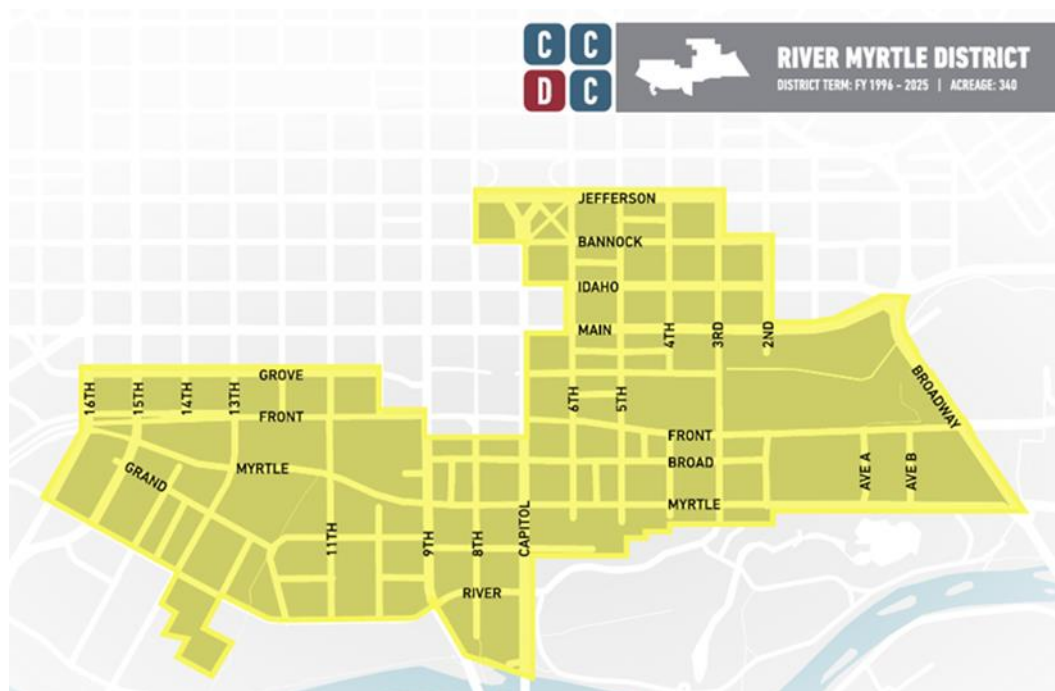


V. INFORMATION ITEMS



DATE: January 11, 2021
TO: Dana Zuckerman, Chair
Board of Commissioners
FM: John Brunelle, Executive Director
RE: CCDC Monthly Report

RIVER – MYRTLE / OLD BOISE DISTRICT



Economic Development

5th & Front Streets - Hotel and Parking Garage – Participation Program (PP) Type 3, 5: The parking garage portion of this project (540 total spaces) opened for customers in mid-March 2020, and the hotel and garage both now have their Certificate of Occupancy. CCDC began leasing 200 spaces for public use the following May 1, specifically reserved for monthly parkers. The developer is planning a public art element on the stairwell wall facing Front Street and is working with the City of Boise Arts and History Department on the selection process. The CCDC Board

approved an additional \$90,000 in eligible expenses for public art at its December 2019 meeting. Chair Zuckerman represents CCDC on the selection committee. Other members represent the development group, the City Arts & History Commission, and local artists. The selection committee will review artist applications and is waiting for the developer's proposed art program. The developer is currently working with its artist and the relevant City bodies to finalize the proposed art program. *Project Lead: Brady Shinn*

200 W. Myrtle Street - Boise Caddis - PP Type 2:

Construction on the vertical core and shell portion of the Boise Caddis project continues. The project, scheduled to open in the summer of 2021, includes 160 rental units and 400 parking spaces. Ada County will purchase a number of the parking spaces for use by its nearby Courthouse complex workforce. The Type 2 Agreement includes approximately \$1.2 million in eligible expenses for public improvements on 2nd, 3rd, and Myrtle Streets and a small portion of Broad Street. Reimbursement will come from tax increment revenue generated by the project. *Project Lead: Alexandra Monjar*

204 E. Myrtle Street - CDG Boise - PP Type 2: The Board designated this project for Type 2 funding at its November 2019 meeting. CDG Boise is building a 249-unit apartment building with 353 parking spaces, and has requested reimbursement for approximately \$980,000 of public improvements including streetscapes and utility work. The Type 2 Agreement was approved at the December 2019 Board meeting. The project is finalizing permitting. Construction will begin January 2021, with an anticipated Certificate of Occupancy by Winter 2022. *Project Lead: Alexandra Monjar*

406 W. Broad Street - Cartee Apartments - PP Type 2: This project includes 160 apartment units and 176 structured parking spaces. Construction continues on the vertical core and shell. The agreement between CCDC and the developer contemplates approximately \$1.3 million in eligible expenses to be reimbursed from project-generated tax increment revenue. *Project Lead: Alexandra Monjar*

512 W. Grove Street - 5th & Grove Mixed Use Residential - PP Type 2: At its March 2020 meeting, the CCDC Board approved a Type 2 General Assistance Participation Agreement with 5th and Grove Investors, LLC. The project includes 114 for-rent apartments and 8,000 square feet of ground floor retail. Fifty of the apartment units will be dedicated to workforce housing, serving 120% AMI (area median income) and below. The project qualifies for Level A status and is eligible to receive 80% of the tax increment revenue it generates to reimburse Eligible Expenses. The project includes approximately \$1 million in Eligible Expenses for public improvements along 5th Street, Grove Street and alley. It is estimated that tax increment revenue can reimburse approximately \$700,000 of Eligible Expenses. CCDC will construct and pay for the already-planned Grove Street streetscape improvements currently in the Agency's 5-year Capital Improvement Plan, accounting for approximately \$347,000 in Eligible Expenses. If construction timelines do not align, CCDC will reimburse the developer for that work upon completion of the project and not through project-generated tax increment revenue. Those two sources will reimburse the developer for all of the project's Eligible Expenses. Foundation work is complete,

PARTICIPATION PROGRAM

Type 1: One-time assistance. Reimbursements up to \$200k for eligible expenses. Developer-matched.

Type 2: General assistance. Reimbursed by project-generated tax increment revenue. Scorecard dependent.

Type 3: Transformative Assistance. Large-scale or unproven projects. Often includes public parking. \$6 private to \$1 public minimum investment required.

Type 4: Capital Improvement Coordination. Most often used for public/public projects.

Type 5: Disposition of CCDC-owned property.



and the project is currently pouring its concrete floors as it progresses. *Project Lead: Alexandra Monjar*

116 6th Street - 6th & Grove Mixed Used, Income Restricted Residential - PP Type 2: At its March 2020 meeting, the CCDC Board approved a Type 2 General Assistance Participation Agreement with the developers of the 6th & Grove project. This is a mixed-use residential and retail project being developed by Capital Partners, Galena Fund, and deChase Miksis. It will consist of 60 apartment units (income restricted and market rate), 5,000 square feet of retail and 9,000 square feet of office space. The project includes approximately \$600,000 of Eligible Expenses for public improvements in the alley and streetscapes along Grove and 6th streets. CCDC will construct and pay for the already-planned Grove Street streetscape improvements currently in the Agency's 5-year Capital Improvement Plan, accounting for approximately \$130,000 in Eligible Expenses. Sixth Street improvements are included in CCDC's current year CIP and will be reimbursed upon completion. The remainder of the Eligible Expenses will be reimbursed using tax increment revenue generated by the project between 2022 and 2025. These funding sources will reimburse the developer for all Eligible Expenses. Footings, foundations, sitework, site prep, and mobilization began summer 2020, construction proceeding apace. An amendment to the Agreement is in-process to coordinate construction timing for overlapping, future CCDC Participation Program Streetscapes and CCDC Capital Improvement Plan projects. The Amendment will be presented to the Board upon completing coordination among the different projects. Construction has begun, with primary mass excavation complete and initial foundation work underway. *Project Lead: Alexandra Monjar*

600 W. Front Street - The Vanguard - PP Type 2: Visum Development is constructing a 75-unit multi-family apartment building on the corner of 6th and Front streets (former Biz Print location). The CCDC Board designated this project for Type 2 funding at its November 2019 meeting. Visum has requested reimbursement for approximately \$400,000 of public improvements, including streetscapes and utility work. The Type 2 Agreement was approved at the December 2019 Board meeting. Vertical construction continues with the core and shell in progress. *Project Lead: Alexandra Monjar*

601 S. 8th Street – Mixed-Use with Public Parking – PP Type 3: Jordan-Wilcomb Construction is partnering with local developer Global Senior Housing on a mixed-use project that preliminarily includes office, retail, public parking and residential spaces. The residential portion will be Global Senior Housing's specialty, an "Active Adult Community Platform" for 55+ year-old adults. Current use at the property is a vacant, one story building that previously housed the Foothills School for Arts and Sciences. CCDC is interested in potentially purchasing a parking condominium and providing public parking at the location. The project anticipates over 160 residential living spaces over 5 floors, 300 parking stalls, and over 20,000 sq ft of commercial and retail spaces. The project's total development cost is estimated to be \$53 million with construction expected to begin in 2021 and open by late 2022 or 2023. The project received Designation at the September 2020 Board Meeting. The Agency is negotiating the Letter of Intent as the Participant finalizes anticipated costs. *Project Lead: Brady Shinn*

Mobility

S. 5th St & Myrtle St - Signalized Crossing: This project seeks to install signal control on Myrtle Street at the 5th Street intersection to provide a safe crossing between Julia Davis Park and the Central Addition, and to extend the signal-coordinated calming of Myrtle Street. Kittelson & Associates has completed a preliminary traffic signal study and representatives of ACHD, City of Boise, CCDC, and ITD met in March 2020 to discuss next steps. CCDC and the City are working on a request to ITD outlining the rationale for a signal and how it will not set a precedent. *Project Lead: Matt Edmond*



ParkBOI - Capitol & Myrtle Parking Garage - Agency Owned Property: Fire pump tests are being performed the week of January 4, 2021. *Project Lead: Aaron Nelson*

505 W. Bannock St - 505 Bannock - T1 Designation: Local general contractor Visser Construction is building a three-story mixed-use property at the site of the former Wells Fargo bank branch. The project features over 11,000 sq ft of dining space between two restaurants, and 3,700 sq ft top floor office space. The project is an estimated \$5.5 million in total development costs. The project requests reimbursement to replace the public improvements in its narrow storefront, as well as install a transformer on-site that will replace existing pole-mounted transformers in the alley right-of-way. Total anticipated reimbursement is over \$80,000. Applicant is I M IRIE TWO LLC, the site owner's controlling entity. The project is under construction, with its exterior shell complete and interior finishing underway. The Agency will finalize the Agreement upon the Participant completing its Eligible Expense estimate according to its recently finalized Streetscape Improvement permitting. *Project Lead: Alexandra Monjar*

ParkBOI - 11th & Front Parking Garage - Agency Owned Property: Additional suicide prevention signs have been added to top levels of garage. A bike cage was installed and integrated with the parking system for users. *Project Lead: Aaron Nelson*

Place Making

Grove Street - Multi-Block Improvement Project: The Old Boise Blocks on Grove Street between 3rd and 5th streets is ready for a catalytic, transformative project. With a few nearby projects already underway, CCDC conducted an inclusive community-driven visioning process to develop a place-making strategy for this site. The process began in June 2020 with a series of stakeholder visioning meetings to create a community-supported vision for the area. The public had several opportunities to engage in the visioning process through summer and fall. The visioning document was presented at the December 14 Board Meeting. An RFQ for a professional design team to further the project has been issued and received. Jensen Belts Associates was selected as the design professional and a contract is under negotiation with them. *Project Leads: Karl Woods, Jordyn Neerdaels*

Linen Blocks - W. Grove Street Improvements: The Linen Blocks on Grove Street between 10th and 16th streets is being assessed for catalytic infrastructure improvements. CCDC kicked off an inclusive community-driven visioning process in September 2020 to develop a reinvestment strategy for that area. The process will include a series of stakeholder visioning meetings to create a community-supported vision for the area. The public will have several opportunities to engage in the visioning process before its projected April 2021 conclusion. *Project Lead: Amy Fimbel*

Special Projects

RMOB Public Art - City of Boise Broad Street Sculpture - PP Type 4: The new design concept was approved in October by the city's Arts & History Commission. Installation of the sculpture is anticipated in Spring/Early Summer 2021. *Project Lead: Karl Woods*

WESTSIDE DISTRICT



Economic Development

11th Street Streetscape - Washington Street to Grove Street: These streetscape improvements are planned for construction in FY2022 in conjunction with the installation of the 11th Street Bikeway. To maximize public investment, the Agency is working closely with ACHD to include in the project scope ACHD planned pavement rehabilitation on 11th Street. An RFQ for a professional design team has been issued and is due January 19. *Project Lead: Amy Fimbel*

1111 Idaho St - 11th & Idaho Building - PP Type 2: This nine-story, Class A office building is being developed by Rafanelli and Nahas using the internationally recognized architecture firm Perkins + Will. The site is adjacent to the future Westside Urban Park and is being designed to complement the existing Boise Plaza office building on the adjacent block to the north. The development was designated as a Type 2 Participation Project in July 2019. The final agreement was presented to the Board in August 2019. Agency inspected the site on December 22, 2020. CCDC will reimburse the developers for public improvements being completed along Idaho and 11th streets. The reimbursement will be based on actual expenses and will not exceed \$740,690. *Project Lead: Alexandra Monjar*

1015 W. Main Street - 11th and Main Apartments - PP Type 1: Seattle's Revolve Development purchased part of the former Safari Inn at 1015 W. Main Street. Revolve is redeveloping the 11th and Main building, transforming it from a 43-room hotel into 41 residential apartments, mostly studio units. Additionally, a teak-wood lattice façade will be added onto the existing stucco exterior walls. The developer was approved for a Type 1 Participation Project at the Board's July 2020 meeting to reimburse expenses to replace the 11th Street alley drive-ramp. The reimbursement will be based on actual expenses and will not exceed \$23,000 pending final confirmed work scope. Exterior facade renovation is underway and interior renovation has begun. The Certificate of Occupancy is expected March 2021. *Project Lead: Alexandra Monjar*

1715 W. Idaho St - 17th and Idaho - Agency-Owned Property: 1715 W. Idaho was purchased by CCDC on July 1, 2020. On July 13, 2020, the CCDC Board of Commissioners authorized the Agency staff to work alongside a 'Core Values Working Group' to develop a RFQ-P for the site.

On October 12 the Board approved the RFQ-P issuance. The final RFQ-P was published online on Tuesday, October 21, and the proposal deadline is October 18, 2020. The three proposals the Agency received will be presented at the January 11, 2021 Board Meeting. *Project Lead: Brady Shinn*

1010 W. Jefferson St - 10Ten Building - Agency-Owned Property: No significant maintenance items to report. The Agency's CM/GC for the Westside Urban Park project will be using a portion of the adjacent parking lot for construction staging. *Project Lead: Aaron Nelson*

1322 W. Main Street - Fire Fusion Studio - PP Type 1: Local artist Delia Dante owns and operates Fire Fusion Studio, an art and metalworking gallery that has recently relocated to 1322 W. Main Street. Ms. Dante renovated the existing, empty building to house Fire Fusion Studio's sales, art gallery and metalworking classes. The finished project will feature a completely re-built structure and roof, new interior finishes across the multiple spaces and new public improvements reimbursed by CCDC. The majority of public improvement costs relate to installing a new sidewalk on 14th Street and filling decommissioned vaults on both 14th and Main Streets. The project received Board Approval in September 2020. The project's reimbursement process is complete and the funds have been distributed to the Participant. *Project Lead: Brady Shinn*

421 N. 10th St - Agency Owned Property: Inventory of stored items has been taken and recorded. *Project Lead: Aaron Nelson.*

Infrastructure

Bannock Street Streetscape - 8th to 9th Streets: The City of Boise conducted a public meeting and an online survey to gauge public support of the proposed design. Feedback was evaluated. The City presented the project to ACHD during a Commission work session in November 2019 and to the ACHD Commission in January 2020 after which ACHD approved the design. The project received Design Review approval from the City in February 2020. The CCDC Board approved the contract for construction documents and construction administration services with Jensen Belts Associates and the ranking for CM/GC services in March 2020. The CM/GC contract with Guho Corp was executed in April. At a Special Board Meeting on July 27, 2020 the CCDC Board approved GMP (guaranteed maximum price) #1 with Guho Corp. Project is under construction and currently on schedule. Work on 8th Street is substantially complete and has been reopened to vehicle use. *Project Lead: Karl Woods*

1010 W. Main St - Avery Building - PP Type: This vacant, privately-owned building is currently undergoing renovation. CCDC has remained engaged with the developer and owner who is working on overall project financing. The developer is interested in utilizing the Agency's Participation Program for historic preservation costs and anticipates submitting an application once the project completes its pre-development process. *Project Lead: Brady Shinn*

State Street Streetscape & Fiber-Optic Conduit: Agency staff has negotiated an interagency agreement and a cost share permit with ACHD and the City to include improvements on State Street as part of a road project tentatively scheduled for 2022. Agency-funded improvements would include installation of a fiber-optic conduit bank on State between 8th and 14th, and construction of streetscape improvements to include street trees, Silva cells, and historic street lights from east of 12th to 14th streets. The Silva cells would serve a dual purpose of accommodating healthy street trees and managing stormwater from State Street. ACHD will credit CCDC for stormwater costs. The interagency agreement and cost share permit was approved by the CCDC Board at its December 14 meeting. *Project Lead: Matt Edmond*

Westside URD – Boundary Adjustment: The Westside URD boundary was amended to add an additional 14 acres that includes the Boise High School campus, the downtown YMCA property, as well as right of way on Franklin Street and 8th Street. This is a small but important

geographical adjustment to an existing district. It expands the project area to create the ability for CCDC to assist the City and other stakeholders realize two bicycle mobility projects, as well as a historic preservation project and potential reinvestment in other important community services. The City Council accepted an eligibility report in June 2019 and directed CCDC to move forward with amending the plan. The Plan Amendment was reviewed by CCDC and City Planning & Zoning. The City Council adopted the plan amendment by Ordinance 45-20 on November 10. Three subsequent public readings of the ordinance concluded on December 1. Public notices and transmittals were sent to taxing districts and the final recording with Ada County occurred prior to calendar 2020 year-end. With the boundary adjustment process completed, CCDC will be able to begin work within the amendment area starting January 1, 2021. *Project Lead: Doug Woodruff*

Mobility

ParkBOI - 10th & Front Garage - Agency Owned Property: The Agency hired DESMAN to perform design services for structural damage prevention. The Agency pre-qualified three contractors at the October 2020 Board meeting and issued an Invitation to Bid on October 22. The Agency received one bid at the December 2 bid opening that was approximately 50% over budget. Agency staff is discussing next steps, including adjusting the scope, to accomplish the project. The project is targeting the March board meeting for approval. *Project Lead: Aaron Nelson*

North 8th Street - City/ACHD Traffic Configuration: A traffic and bike lane analysis performed by Kittleson & Associates and a design package by Jensen Belts Associates were presented to the City Council in January 2019. The City Council requested public outreach on the project. The City conducted a public meeting and an online survey to gauge public support of the proposed design. Feedback was evaluated. The City presented the project to ACHD's Commission during a November 2019 work session. The Commission was receptive and asked for an interagency agreement for paving and for the project to be brought back for formal presentation. That presentation occurred in January 2020 after which ACHD approved the design. The project received Design Review approval from the City in February 2020. The CCDC Board approved the contract for construction documents and construction administration services with Jensen Belts Associates in March 2020. The Agency has been working to accelerate the project timeline to complete construction in 2020. Construction documents were submitted to the City and ACHD for permit review. At a Special Board meeting on July 27, 2020 the GMP (guaranteed maximum price) #1 with Guho Corp. Construction was approved. Project is under construction and is currently on schedule. Work on 8th Street is substantially complete and has been reopened to vehicle use. *Project Lead: Karl Woods*

Place Making

11th Street & Bannock Street - Westside Urban Park: The City Council approved the Westside Urban Park Master Development Agreement and associated land agreement in June 2019. The completion of these agreements formalizes a public-private partnership that will result in the creation of a new downtown neighborhood urban park. This public investment complements construction of the adjacent 11th and Idaho development, a nine-story, Class A office building with retail/restaurant space fronting the park. Construction on the office tower began in August 2019 and is expected to be complete in 2021. CCDC Board, Boise Arts & History Commission, and Boise City Council have approved artist Matthew Mazzotta's "Gentle Breeze" design and the public artwork will be installed in conjunction with the park. CCDC Board approved the GMP (guaranteed maximum price) at the September 14 CCDC Board meeting and construction of the

park began October 20, 2020 with ribbon cutting estimated in July 2021. *Project Lead: Amy Fimbel*

30TH STREET DISTRICT



Mobility

Main and Fairview Transit Stations and Platforms: CCDC, in cooperation with the City of Boise and Valley Regional Transit, is redesigning and constructing improvements at seven bus stops along Main St. and Fairview Ave between Whitewater Park Blvd and N 16th Street. CCDC is contracting with HDR Engineering to provide design services which will be completed in spring 2021 with construction to follow in summer 2021. *Project Lead: Amy Fimbel*

SHORELINE



Economic Development

Shoreline District - Downtown Boise Streetscape Standards Update: CCDC, in collaboration with the City, is preparing to update the Downtown Boise Streetscape Standards Manual. These standards provide guidance to private development and Agency's Capital Improvement Plan projects for streetscape improvements in the public rights-of-way within the downtown Urban Renewal Districts.

The standards currently in effect were adopted by the City in 2015 and do not include the Shoreline District project area. This update will incorporate that project area as well as the innovative stormwater management strategies outlined in the City's Lusk Street Neighborhood Master Plan and River Street Neighborhood Master Plan.

The update will be reviewed by neighborhood stakeholders, the City, and ACHD before being considered for formal approval. Once approved by the CCDC Board, the updated standards will be forwarded to the City Council and recommended for final approval and adoption into Blueprint Boise. Preliminary meetings with property owners and area stakeholders have begun to help define the scope of this project. The project will include an emphasis on the 17th Street sub area of the Shoreline District. *Project Lead: Doug Woodruff*

GATEWAY EAST



GATEWAY DISTRICT

DISTRICT TERM: FY 2020 – 2039 | ACREAGE: 2,643



Economic Development

9100 S. Eisenman Road – PP Type 2: The R.L.R. Investments, LLC, project at 9100 S. Eisenman will host a new regional industrial mixed-use facility and be a regional hub for R.L.R. Investments' national operations. The project will consist of three structures: a 5,000 SF office joined to a 60,000 SF freight terminal, and a 9,000 SF maintenance shop. The project will also renovate the existing, dilapidated fueling canopy. Seventy parking spaces and a private green space constitute the property's remaining development. Estimate total cost is \$9.8 million. The project anticipates \$385,000 of Eligible Expenses to be paid over the standard Gateway District six-year term. Estimated completion is summer 2021 and then fully on the tax roll by calendar year 2022. The project will generate roughly \$80,000 in added tax increment per year. The project received approval at the June 2020 Board meeting. Excavation and site work is complete. Construction is underway on the main structure. *Project Lead: Alexandra Monjar*

9025 S. Federal Way – PP Type 2: 9025 S. Federal Way is an 11,000 square foot mixed-use office and industrial project consisting of three office suites and two warehouse bays on a 1.4-acre lot located on the west side of Federal Way across from the Micron campus. The Board approved a Type 2 participation agreement for approximately \$94,000 of Eligible Expenses on the \$2.1 million project at its January 2020 meeting. The Applicant has submitted its Reimbursement cost justification materials. The Agency has completed its review and the Type 2 project is currently starting its first full year on the tax rolls. *Project Lead: Brady Shinn*

9605 S. Eisenman Road – Boise Gateway 1 – PP Type 2: Boise Gateway 1 is a 168,000 square foot industrial building project with related site improvements located at the southwest corner of Eisenman Road and Freight Street. This is the first project / phase of the 140-acre Boise Gateway Industrial Park, on land owned by the City of Boise and ground-leased to the Boyer Company for development. The project was completed this summer and the primary tenant, Verde Fulfillment,

has occupied the building and is operational. Total project value is estimated to be \$13 million, with an estimated \$425,000 of Eligible Expenses. The project was designated for Type 2 assistance at the November 2019 Board meeting. Boyer Company is working with its contractor to prepare documentation for the reimbursement request. *Project Lead: Alexandra Monjar*

Mobility

Gowen Road - ACHD Cost Share - PP Type 4: ACHD will replace the Gowen Road bridge over the railroad right-of-way including widening the bridge to accommodate bike lanes and sidewalks. At its May 2020 meeting, the CCDC Board approved an amended cost share permit and interagency agreement to include a longer bridge span for a mixed use pathway along the railroad, fiber optic conduit, and wider sideways in the project, at an estimated cost of \$360,000. The ACHD project is currently out to bid, with a January 6, 2021 bid opening and a notice to proceed in March 2021. *Project Lead: Matt Edmond*

Infrastructure

Production Street and Gowen Road Utilities: This project will install new fiber optic conduit banks and associated vaults along Production Street and Gowen Road for the City to enhance data connectivity within city limits. Civil Survey Consultants completed the design of the project in November 2020, but the engineer's estimate was higher than the FY21 project budget. CCDC will delay the start of construction until summer 2021 so that costs can be split between FY21 and FY22. *Project Lead: Amy Fimbel*

AGENCY WIDE – ALL DISTRICTS

Economic Development

ParkBOI - All Garages – Cleaning: Pressure washing was done the month of December, and new suicide prevention signs have been installed on top levels. Stair tower doors have had new decals installed to discourage skateboarding and scooters in the garage. *Project Lead: Aaron Nelson*

ParkBOI - New Product - Nighttime Monthly: As part of the parking rate discussion at the March 2020 meeting, the Agency recommended that the 10th & Front parking garage be designated to accommodate proposed nighttime-monthly parking pass-holders, making it available to these parkers as early as 3 pm – an attractive, lower priced alternative to a regular monthly pass. The Agency will examine implementing this product as the economy recovers from the COVID-19 pandemic. *Project Lead: Matt Edmond*

ParkBOI - New Product - Carpool Priority: A soft opening for this new product commenced July 1, 2020 via the City Go program. Despite promotions there have been no takers as of now, mostly due to the fact that most downtown businesses continue working remotely during the COVID-19 pandemic. *Project Lead: Matt Edmond*

CityGO: Formerly known as the Downtown Mobility Collaborative, the downtown's Transportation Management Association is up and running. This partnership of VRT, City of Boise, ACHD Commuteride, BSU, St Luke's, Downtown Boise Association (DBA), and CCDC involves marketing its transportation products and services to the downtown community. The CCDC Board approved a renewed MOU for City Go at its October 2020 meeting. An overview can be found at citygoboise.com. *Project Lead: Matt Edmond*

ParkBOI - 9th & Main Parking Garage - Elevators: The project was delayed about four weeks. The elevator modernization for the Idaho Street side elevator started October 12 and is scheduled to complete in December 2020. Work on the Main Street side elevator is scheduled for January 4 – 29, 2021. The Idaho Street elevator passed conditional inspection on December 22 and is back in service. *Project Lead: Aaron Nelson*

ParkBOI - Capitol & Main Parking Garage - Elevators: This project modernized the existing elevators in the Capitol & Main Garage with new finishes and amenities, improved efficiency, reliability and brought the elevators up to current code. Schindler Elevator reached substantial completion in late August 2020, and completed all punch list items and passed state inspection on December 31. The project is now complete. *Project Lead: Matt Edmond*

ParkBOI - 9th & Front Parking Garage - Agency Owned Property: The stair towers on the 9th & Front Garage have experienced damage due to water infiltration. The Agency pre-qualified four contractors at the October 2020 Board meeting and issued an Invitation to Bid to those contractors on October 21. The Agency received no bids as of the December 1 deadline. Agency staff is discussing next steps to accomplish the project. The project is targeting the February or March board meeting for approval. *Project Lead: Aaron Nelson*

ParkBOI - Door Hardware & ADA Upgrades: Slichter Ugrin Architects have been hired as the design professional to develop plans and specifications for this project. Hellman Construction Company, Inc., was the responsive low bidder and is under contract. A Notice to Proceed has been issued and construction is underway. Construction is anticipated to be substantially complete in December 2020. *Project Lead: Karl Woods*

ParkBOI - LED Lighting Upgrades - Phase 2: 9th & Front, 10th & Front and Capital and Myrtle garage lights are being upgraded to LED. CCDC sent Invitations to Bid to the electrical contractors on November 10. The bids were opened December 3. Five bids were received. Primary Electric was low bid at \$84,816.74. CCDC will award the bid to Primary Electric. Work is anticipated to start in February and be completed by March 2021. *Project Lead: Aaron Nelson*

Mobility

11th Street Bikeway - ACHD Collaboration - River Street to Washington Street: 11th Street has been identified in plans by the City and ACHD as an important north-south corridor for the west side of downtown Boise. It prioritizes cyclists, pedestrians, retail business, and residents while accommodating existing vehicular use. ACHD is advancing with the design of bikeway facility improvements for 11th Street from Heron Street to Washington Street in preparation for installation in FY2022. In November 2020, CCDC and Kittelson & Associates completed a public engagement process which resulted in the preferred raised bike lane concept design for 11th Street from River Street to State Street. This downtown segment of the 11th Street Bikeway spans two URD's (RMOB and Westside) both of which have funding programmed in FY2022 to build the infrastructure associated with this bikeway as well as streetscape improvements. An RFQ for a professional design team to advance the design has been issued and is due January 19. *Project Lead: Amy Fimbel*

State Street Study Area: The Agency's primary consultant for the State Street Study Area, MIG, is wrapping up Phase 1 of its Scope, Planning Context and Assessment, as well as preparation for public outreach in collaboration with Agency and City of Boise staff. A virtual public engagement exercise and stakeholder outreach began on October 16 and concluded in late November. Agency staff will present survey findings, and SB Friedman will present the State Street Market Assessment, at the Board's December 14, 2020 meeting. *Project Lead: Matt Edmond*

Condominium Associations

Building Eight Condominiums Association CCDC Contact: Aaron Nelson		
Member	Unit	Percent Interest
CCDC	Capitol & Myrtle Parking Garage (Unit 2)	35%
Raymond Management	Hampton Inn & Suites (Unit 1)	62.5%
Hendricks	Retail Units (Units 3 & 4)	2.5%
Condo Board Meetings		
Last Meeting	Next Meeting	Next Report Due
October 2020	TBD	December 31, 2021
Issues/Comments:	Motion was voted and passed to remove the \$75,000 COA interruption/income limit on the insurance policy proposed by USI. 7/0. Garage coverage was adjusted to cover replacement cost.	

Front Street Condominium Association CCDC Contact: Aaron Nelson		
Member	Unit	Percent Interest
CCDC	9 th & Front Parking Garage	25.76%
GBAD		2.00%
Aspen Condominiums	Aspen Lofts	52.17%
Hendricks	BoDo Retail Units	20.07%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due
November 2020	November 13, 2020	November 30, 2021
Issues/Comments:		

Bank Plaza Condominium Association CCDC Contact: Matt Edmond		
Member	Unit	Percent Interest



LN City Center Plaza/ Clearwater Analytics	A, 1A, 1B, 1C, 1H, 1K, 1L, 2C, 3C, 5A, 6A, 7A, 8A, 9A	77.372%
CCDC	1F, 1G, 1J, 2B, 4B, 5B	6.861%
GBAD	4A	3.040%
Boise State University	1D, 1E, 2A, 3A, 3B	6.131%
Valley Regional Transit	B1, B2, B3	6.429%
Sawtooth	10A	0.167%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due
October 26, 2020	TBD	July 2021
Issues/Comments:		

Block 22 Condominium Association CCDC Contact: Aaron Nelson		
Member	Unit	Percent Interest
CCDC	Capitol & Front Parking Garage	13.30%
Block 22	The Grove Hotel, CenturyLink Arena	86.70%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due
July 21, 2020	TBD	March 31, 2021
Issues/Comments:		

Capitol Terrace Condominium Association CCDC Contact: Aaron Nelson		
Member	Unit	Percent Interest
CCDC	Capitol & Main Parking Garage	50%
Hawkins Companies	Main + Marketplace	50%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due



February 12, 2020	TBD	February 28, 2021
Issues/Comments:		

Downtown Parking Condominiums Association CCDC Contact: Aaron Nelson		
Member	Unit	Percent Interest
CCDC	9 th & Main Parking Garage	93.51%
Les Bois Holdings, LLC	Commercial, Main Street side	2.03%
Eastman Building, LLC	Commercial, Idaho Street side	4.46%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due
September 11, 2020	TBD	September 30, 2021
Issues/Comments:		

ACME Fast Freight Condominium Association CCDC Contact: Matt Edmond		
Member	Unit	Percent Interest
CCDC	11th & Front Parking Garage, 30.1% (Units 402, 403, 501, 502)	28.485%
Ball Ventures Ahlquist	11th & Front Parking Garage, 69.9% (Units 104, 015, 201, 202, 301, 302, 401)	66.490%
Boise Metro Chamber	Boise Chamber Offices (Units 101, 102, 203)	5.025%
Condo Board Meetings		
Last Meeting/Report	Next Meeting	Next Report Due
September 9, 2020	TBD	September 30, 2021
Issues/Comments:		

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VI. ADJOURN



END