

CAPITAL CITY DEVELOPMENT CORPORATION

Proposed Amended Westside Urban Renewal District Feasibility Study

FINAL REPORT | September 10, 2020



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1. Executive Summary

Background

The Urban Renewal Plan Westside Downtown Urban Renewal Project (the “Plan”) establishing the Westside Downtown Revenue Allocation Area (the “Original Urban Redevelopment District” or “Original URD”) was created in 2001 with a goal of funding “enhanced public facilities” in order to foster “adjacent private investment”. The 143-acre Original URD consists of 405 parcels on the northwest edge of Downtown Boise. Through fiscal year (FY) 2019, the Original URD collected approximately \$30.1 million in revenue (“Historic Revenues”) from incremental property taxes and other revenues, and incurred project costs of approximately \$25.0 million (“Historic Project Costs” or “Historic Costs”). FY 2019 ended on September 30, 2019. The combined Historic Revenues and Historic Project costs leave the Original URD with an approximately \$5.1 million fund balance at the end of FY 2019 (the “2019 Fund Balance”). Annual FY 2019 data is the most recent available, as FY20 will end on September 30, 2020. To date, costs have primarily funded capital improvements (72% of Historic Costs), promoting economic development, infrastructure, placemaking, mobility, and special projects. The Original URD, will terminate in 2026 after 24 years of property tax collections.

In late 2018 the Urban Renewal Agency of the city of Boise City Idaho, also known as Capital City Development Corporation (“CCDC”) engaged SB Friedman Development Advisors (“SB Friedman”) to assess the eligibility of a proposed seven-parcel, 14-acre amendment to the Original URD (the “Amendment Area”) pursuant to the Idaho Urban Renewal Law of 1965, Title 50, Chapter 20, Idaho Code (the “Law”), and the Local Economic Development Act, Title 50, Chapter 29, Idaho Code (the “Act”), collectively the “Urban Renewal Law.” An Eligibility Report prepared by SB Friedman establishing the eligibility of the Amendment Area was approved by Boise City Council in June 2019 (CC RES-229-19), SB Friedman was re-engaged by CCDC in May 2020 to conduct this economic feasibility study for the proposed amended urban renewal district boundary encompassing the Original URD and the Amendment Area (collectively the “Proposed Amended URD”). **Figure 1** shows the Original URD, Amendment Area, and Proposed Amended URD. The remainder of the Executive Summary lays out the legal requirements for the economic feasibility study and summarizes SB Friedman’s findings.

Figure 1. Proposed Amended URD Boundary



Urban Renewal and Economic Development Law Requirements

The Plan and Original URD are being amended pursuant to Idaho Code Sections 50-2033, 50-2903(4) and 50-2905. Idaho Code Section 50-2905 provides that an urban renewal agency shall prepare and adopt a plan for each revenue allocation area. The agency shall submit the plan and recommendation for approval thereof to the local governing body. Among the plan requirements listed in Idaho Code 50-2905, the plan shall include an economic feasibility study. Economic feasibility is an analysis of a scenario of revenues that could be generated by the urban renewal district, and the future costs required for the implementation of a plan that can be supported by those revenues. Idaho Code 50-2905 also articulates the economic feasibility study must be held to a standard of specificity.

SB Friedman worked with CCDC and their legal counsel to assess the need for a revised economic feasibility study ("2020 Feasibility Study") for the Plan for the Proposed Amended URD. The Original URD's initial feasibility study and a 2011 update (collectively, the "Original Feasibility Studies") pre-dated the Act's 2016 specificity requirement. The 2011 feasibility study update was not officially approved via an amendment process, the document was for internal district management and planning purposes. Following the first phase of SB Friedman's engagement, CCDC re-engaged SB Friedman to produce a revised 2020 Feasibility Study, including a model (the "Feasibility Model") focused on:

1. Addressing specific differences between the Original URD's projected revenues/costs (from the Original Feasibility Studies) and actual Historic Revenues and Historic Costs through FY 2019 by replacing those original projections with the known actuals;
2. Modifying expense and revenue projections to more appropriately model expected revenues and planned expenditures/financing mechanisms (including bonds) anticipated over the remaining life of the Proposed Amended URD; and
3. Incorporating projected taxable value (TV) increases driven by the addition of the Amendment Area parcels.

The following 2020 Feasibility Study satisfies these objectives. The Proposed Amended URD's existing fund balance and projected revenues were balanced against planned costs to establish an economically feasible revenue allocation area plan.

Findings of Feasibility

To assess the economic feasibility of the Proposed Amended URD, SB Friedman aligned the Original URD's 2019 Fund Balance and total projected revenues for the Proposed Amended URD through its September 30, 2026 termination ("Projected Revenues") with projected project costs through termination ("Projected Project Costs" or "Projected Costs") in the Feasibility Model. Projected Revenues and Projected Costs, as well as the findings of feasibility for the Proposed Amended URD, are summarized below.

PROJECTED REVENUES

Incremental property taxes constituted 96% of Historic Revenues through FY 2019. This trend continues in SB Friedman's model for obtaining Projected Revenues (the "Revenue Model"). In the Revenue Model, incremental property tax revenue projections are based on assumed increases in TV for existing properties (including the Amendment Area) and increases in TV resulting from redevelopment. Projected incremental property tax revenues through September 30, 2026 total approximately \$36.4 million, undiscounted, which are combined with anticipated additional other revenues (\$2.6 million) coming from intergovernmental transfers, lease income, and earnings on interest. The \$39.0 million in total Projected Revenues through the Proposed Amended URD's 2026 termination are summarized in **Section 5** and **Appendix IV**. Projected Revenues (\$39.0

million) plus 2019 Fund Balance (\$5.1 million) equals the projected funds available to be spent over the remaining life of the Proposed Amended URD ("Projected Available Funds") of \$44.1 million.

PROJECTED COSTS

Historic and Projected Costs were provided to SB Friedman by CCDC. Where detailed information was unavailable, Historic Costs were estimated by SB Friedman from existing information. Through 2019, Projected Costs incurred by the Original URD totaled \$25.0 million, undiscounted. Historic Costs primarily covered a range of capital improvements and operations/transfers. CCDC identified \$40.3 million in Projected Costs, undiscounted, for the remaining life of the Proposed Amended URD. Most Projected Costs (73%) are designated for capital improvements, with the balance funding operations-related expenses, and other minor expenses. Along with Projected Available Funds, Projected Costs are incorporated into the Feasibility Model. Projected Costs in the Feasibility Model were assumed to be paid through either a cash payment or the proceeds of two bonds, including an approximately \$10 million bond issued in FY 2021 and an approximately \$2.9 million bond issued in FY 2023.

CONCLUSIONS

Based on the Feasibility Model, SB Friedman projected cumulative Historic Revenues and Projected Revenues ("Total Revenues") through the remaining life of the Proposed Amended URD (\$69.2 million) will exceed cumulative Historic Costs and Project Costs ("Total Project Costs") (\$66.3 million). The projected September 30, 2026 fund balance is approximately \$2.9 million.

The actual fund balance at the time of district termination could be lower or higher depending on actual revenues and expenditures. Any surplus after termination of the Proposed Amended URD would be submitted to Ada County for pro rata distribution to the affected taxing districts, including the City of Boise, Ada County, Ada County Highway District, Ada County Paramedics, Ada County Mosquito Abatement District, Boise School District 1, and College of Western Idaho.

2. Introduction

The Original URD was created in 2001 with a goal of funding “enhanced public facilities” in order to foster “adjacent private investment”. The 143-acre Original URD consists of 405 parcels on the northwest edge of Downtown Boise. Through FY 2019, the Original URD collected approximately \$30.1 million in Historic Revenues from incremental property taxes and other revenues, and incurred Historic Project Costs of approximately \$25.0 million, leaving the Original URD with a \$5.1 million 2019 Fund Balance. To date, costs have primarily funded capital improvements (61% of all costs), promoting economic development, infrastructure, placemaking, mobility, and special projects.

In late 2018, CCDC engaged SB Friedman to assess the eligibility of the Amendment Area pursuant to Idaho’s Urban Renewal Law. The 14-acre Amendment Area consists of seven parcels, including five institutional/property tax exempt parcels on the northeast side of the Original URD. An Eligibility Report prepared by SB Friedman establishing the eligibility of the Amendment Area was approved by Boise City Council in June 2019 (CC RES-229-19). SB Friedman was then re-engaged by CCDC to conduct the 2020 Feasibility Study for the Proposed Amended URD, encompassing the Original URD and the Amendment Area. The boundaries for both the Original and Proposed Amended URDs are shown in **Figure 3** in the following section.

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

Idaho Code 50-2905 requires CCDC evaluate the economic feasibility of the Proposed Amended URD and include economic feasibility findings within the Plan which shall be held to a standard of specificity. This 2020 Feasibility Study fulfills this objective by evaluating the existing status of the Original URD (including Historic Revenues and Historic Costs) and reconciling Projected Revenues and Projected Costs for the remaining life of the Proposed Amended URD in the Feasibility Model. In the process of satisfying the requirements, CCDC coordinated with City staff and SB Friedman. SB Friedman led the financial analyses and revenue projections. CCDC provided cost estimates through the District’s September 30, 2026 termination.

The document includes the following sections:

1. **Executive Summary** | A summary of the document’s findings.
2. **Introduction** | Project background and document outline.
3. **Proposed Amended URD Boundary and Valuation** | Description of amended boundary and revised base valuation.
4. **Historic Revenues & Costs** | Outline of Historic Revenues and Historic Costs since establishment of the Original URD.
5. **Projected Revenues** | Inputs, assumptions, and results of SB Friedman’s revenue projections.
6. **Projected Costs** | Specific Projected Costs and phasing assumptions.
7. **Economic Feasibility** | Assessment of the economic feasibility of the Proposed Amended URD based on a reconciliation of the 2019 Fund Balance, the Revenue Model, and Projected Costs.

8. **Alternative Sources of Funds** | A listing of other prospective revenue sources (not specified elsewhere).

The following key documents and models were developed and serve as key inputs into the 2020 Feasibility Study and will be referenced throughout the report:

- **Revenue Model** | The model for obtaining Projected Revenues, including incremental property tax revenues based on planned development and other key assumptions.
- **Projected Costs** | Costs identified in CCDC's Capital Improvement Plan that could be incurred by the Proposed Amended URD.
- **Feasibility Model** | A model prepared by SB Friedman which reconciles the Revenue Model and Projected Costs to ensure an economically feasible plan.

3. Proposed Amended URD Boundary and Valuation

Westside Urban Renewal District Amended Boundary

The Proposed Amended URD is generally bounded by 16th Street on the northwest, Franklin Street on the northeast, 8th Street to the southeast, and Grove Street to the southwest.

The Amendment Area, consisting of seven parcels on the northeast side of the district, includes most of the Boise High School campus; the Downtown Boise YMCA; First Church of Christ, Scientist; the former Carnegie Public Library, and an office building. The Amendment Area is anticipated as a 2020 addition to the Original URD, collectively forming the Proposed Amended URD.

Based on Ada County Assessor data for tax year (TY) 2020, there are 412 parcels, including 144 condominium parcels in the Proposed Amended URD encompassing 157.5 acres (inclusive of public right-of-way). Primary property types include commercial (34% of acreage), residential (3%), undeveloped land (3%), institutional/property tax exempt (18%), and right-of-way (42%). No parcels within the Proposed Amended URD include agricultural operations or forest lands which would require consent of the property owner per Idaho Code 50-2018(8), 50-2018(9) and 50-2903(8).

The Proposed Amended URD includes 65 property tax exempt parcels encompassing 28 acres, or approximately 18% of the Proposed Amended URD. It is assumed any private improvements made on land currently in public ownership will be taxable moving forward, regardless of land disposition strategy.

Existing Valuation of the Urban Renewal District

The Proposed Amended URD has a total of 412 real property parcels, 144 of which are condominium parcels with a cumulative TV of \$470,292,900 in TY 2020. For the purposes of the 2020 Feasibility Study, TV is defined as total taxable value per the Ada County Assessor, before exemptions. Classification of parcels by Ada County Assessor use category is included in **Figure 2**.

Figure 2. 2020 Taxable Value by Assessor Property Code Category

	Original URD		Amendment Area		Proposed Amended URD	
Property Code [1]	AV	Acreage	AV	Acreage	AV	Acreage
Commercial	\$405,855,200	52	\$3,369,800	1	\$409,225,000	53
Residential	\$53,887,400	5	\$0	0	\$53,887,400	5
Land	\$7,180,500	4	\$0	0	\$7,180,500	4
Exempt	\$0	20	\$0	9	\$0	28
Right-of-Way [2]	\$0	63	\$0	4	\$0	67
Total [3]	\$466,923,100	143	\$3,369,800	14	\$470,292,900	157

Source: Ada County Assessor, SB Friedman

[1] Parcels with \$0 in value were coded as Exempt.

[2] Right-of-way includes all unparcelized land area within the URD.

[3] Due to rounding totals may not equal sum of components by property code.

Existing (2020) TV was also analyzed spatially to identify lower value nodes within the Proposed Amended URD. **Figure 3** displays TV per land square foot throughout the Proposed Amended URD. Properties with a higher existing TV per square foot are primarily located on the southeast side of the Proposed Amended URD. Institutional/exempt properties are prevalent on the northeast side of the Proposed Amended URD and lower value commercial properties cover much of the northwest side.

Figure 3. Proposed Amended URD Boundary and Taxable Valuation



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

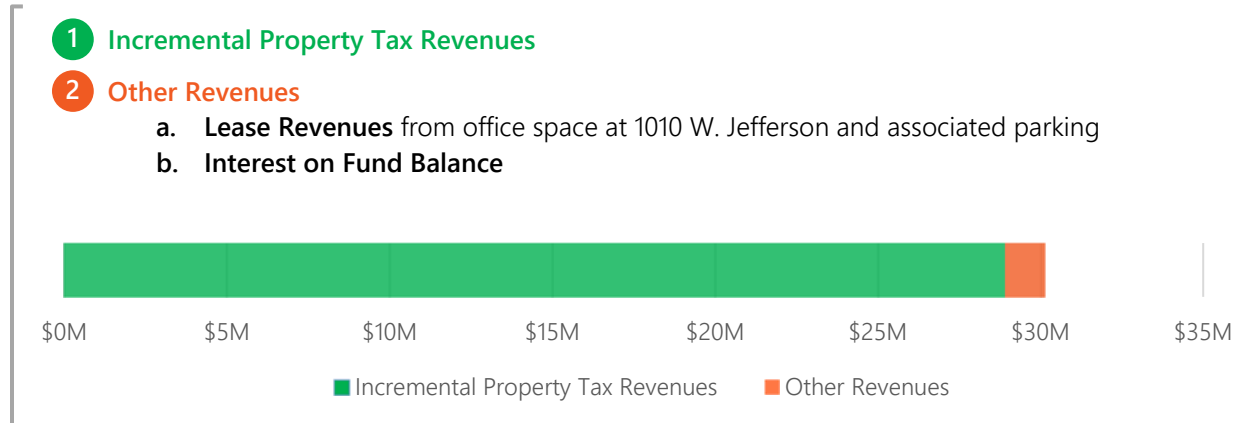
4. Historic Revenues & Costs

Overview

The following section outlines the Original URD's Historic Revenues and Historic Costs, through FY 2019, including the primary sources of each. Since establishment in 2001, Original URD Historic Costs totaled approximately \$25.0 million, undiscounted. Historic Revenues were approximately \$30.1 million, undiscounted. Thus, the Original URD amassed a fund balance of \$5.1 million, as of FY 2019. The 2019 Fund Balance served as one of the key inputs to the Feasibility Model, discussed in **Section 7**. Historic Revenues, Historic Costs, and existing fund balances for FYs 2003-2019 were reported from CCDC Independent Financial Statements and SB Friedman estimates.

Revenue Categories

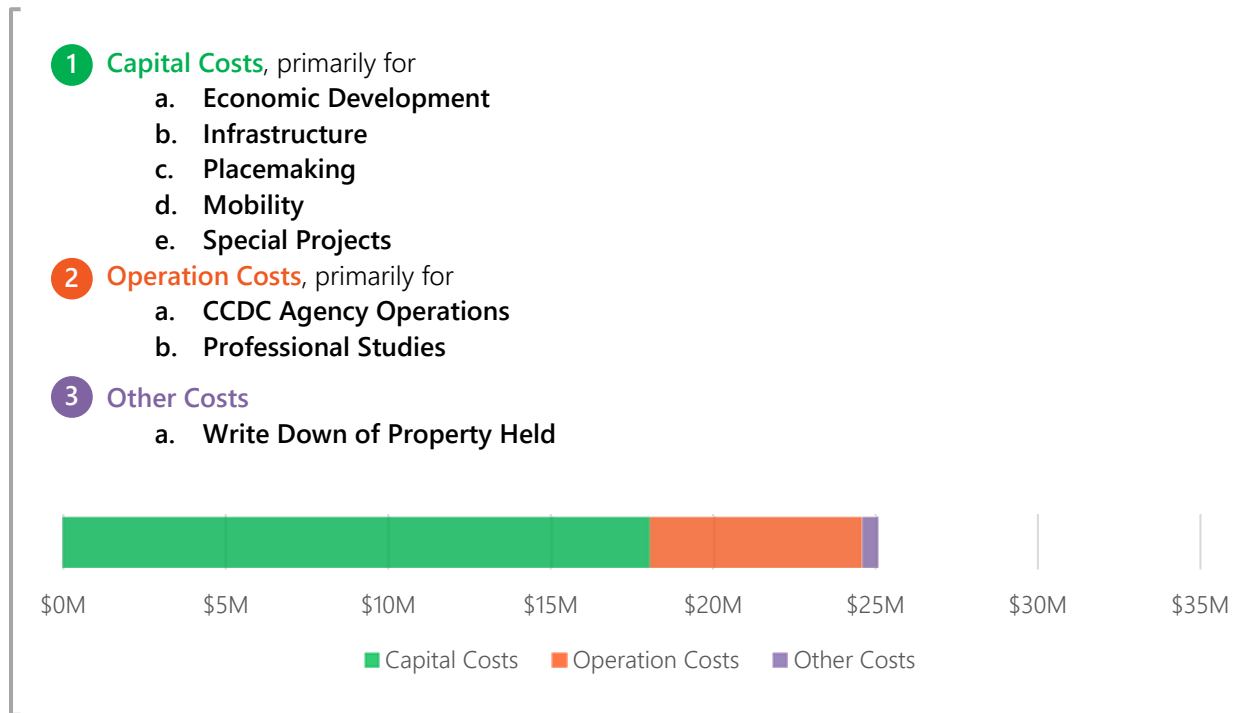
Through FY 2019, the Original URD's primary sources of revenue included:



Of the \$30.1 million in Historic Revenues, approximately 96% were attributable to incremental property tax revenue. Revenue from lease payments on a CCDC-owned office building in the Original URD and interest collected on the annual fund balance comprised the remaining 4%.

Cost Categories

The Original URD's primary Historic Cost categories included:



The three primary categories of the \$25.0 million in Historic Costs included: Capital Costs, Operation Costs and Other Costs. Capital Costs constituted approximately 72% of Historic Costs. Capital Costs generally fell into one of five key CCDC objectives: Economic Development, Infrastructure, Placemaking, Mobility, or Special Projects. The following subsection highlights some of the Original URD's notable capital projects. Historic Operation Costs include CCDC Agency Operations and Professional Studies. A small share of the Historic Costs, approximately \$500,000, were the result of a property value write-down.

Highlighted Capital Projects

The Original URD's Capital Costs were generally used to support streetscaping, sidewalk improvements, connectivity, and curb and gutter projects. One example project is the reconfiguration of 8th Street from Bannock Street to State Street to add accommodation for bikes, fiber optic conduit expansion, and geothermal network expansion.

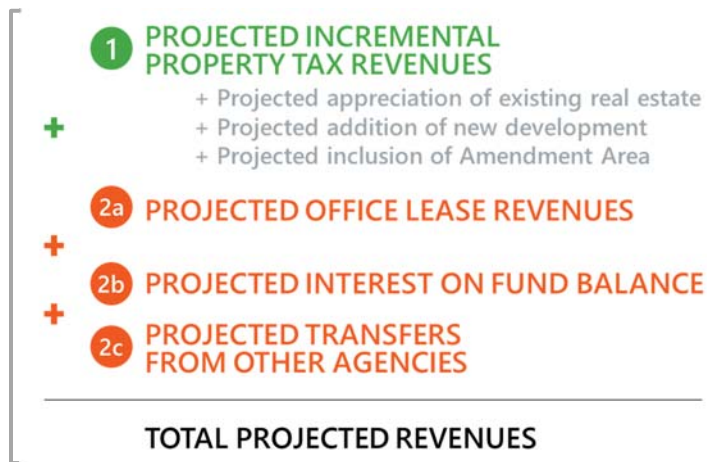
Other funds supported park and open space projects, including the development of the Westside Downtown Urban Park at 1100 W Bannock Street. Funds from the Original URD also supported necessary infrastructure to spur public and private investments, directly supporting business and housing development. For example, district-funded site improvements associated with the historic Owyhee Hotel's 2014 rehabilitation led to the expansion of multiple businesses and creation of 36 market rate apartment units in Downtown Boise. Similarly, district-funded sitework at the former CC Anderson Building assisted in the establishment of the new corporate headquarters and teacher training facilities for Athlos Academies, bringing additional jobs and visitors to Downtown Boise.

5. Projected Revenues

Analyses from **Section 4** reflect Historic Revenues and Historic Costs through FY 2019. SB Friedman projected revenues through the 2026 termination of the Proposed Amended URD by constructing the Revenue Model based on a series of known values and assumptions. This section details the structure and key assumptions of the Revenue Model followed by the resulting Projected Revenues for the remainder of the Proposed Amended URD. **Figures 4-5** summarize the Proposed Amended URD's Projected Revenues.

Components

The Revenue Model accounts for all expected sources of future income, including: (1) Incremental Property Tax Revenues, (2a) Office Lease Revenues, (2b) Interest on Fund Balance; and (2c) Transfers From Other Agencies. Except for the addition of (2c), Transfers From Other Agencies, the revenue sources are consistent with the Historic Revenue sources outlined in **Section 4**. The basic structure of the Revenue Model is depicted below:



Assumptions

A series of known inputs and assumptions undergird the basic model components. Working with CCDC, SB Friedman derived the following inputs which drive revenue projections:

1 PROJECTED INCREMENTAL PROPERTY TAX REVENUES

As stated in **Section 4**, historically, incremental property tax revenues constituted approximately 96% of Historic Revenues. The following assumptions underly the incremental property tax projections.

- **Sources of Growth in Incremental Taxable Value** | The Revenue Model accounted for projected growth in incremental TV through three means:
 - Appreciation of existing properties in the Original URD;
 - The addition of a single office building currently under construction at 1100 W. Idaho, assuming full assessment in FY 2021; and
 - The inclusion of the Amendment Area beginning January 1, 2020 and the subsequent appreciation of property through the URD's termination.

- **TIF Schedule** | The Original URD was adopted in December 2001 with a base year of January 1, 2001, and collected its first incremental tax revenues in 2003. The addition of the Amendment Area, forming the Proposed Amended URD, has no impact on the Original URD's schedule. As permitted by Idaho law, the Amended URD is set to expire in 2025 at the end of its 24 year term, with final property tax collections in 2026.
- **Base Taxable Value** | The Original URD's 2001 TV was \$167,651,000. The adjusted base TV for the Original URD is \$138,858,300 based on 2020 TV data from CCDC. The Amendment Area's anticipated base TV, \$3,369,800, is based on the 2020 TV reported by the Ada County Assessor. The two combined have a current base value of \$142,228,100 for the Proposed Amended URD.
- **Taxable Value Growth Rate** | In the absence of significant improvements, all properties within the Proposed Amended URD are assumed to appreciate 2.0% annually.
- **Current Taxable Value** | The Original URD's and Amendment Area's last known TV for TY 2020, reported by the Ada County Assessor, was the starting point for TV projections for all remaining years.
- **Taxable Value Growth for New Development** | SB Friedman assumed a 191,000 square foot Class A office building currently under construction at 1100 W. Idaho will be fully assessed by FY 2021. The new development appears to be partially valued in FY 2020 assessments. Based on analysis of comparable recent deliveries, SB Friedman assumed a fully assessed TV of \$364 per square foot for the completed building, in 2021 dollars. The additional TV is assumed to appreciate at 2.0% annually over the remaining life of the Amended URD.
- **Levy Rates** | Actual and projected property tax levy rates were provided by CCDC through 2021. CCDC provided estimated 2020 and 2021 Levy Rates based on recent trends. Thereafter, the three-year average of the most recent years (2019-2021) is assumed, through the District's termination in 2026.
- **Discount Rate** | SB Friedman assumed a 4% cost of funds, per CCDC, for discounting revenue projections to calculate present value.

2a

PROJECTED OFFICE LEASE REVENUES

- **Lease Terms** | CCDC provided SB Friedman with a detailed inventory of annual revenues from tenants in the CCDC-owned office building at 1010 W. Jefferson Street. These revenues include rent of the building's office space as well as associated parking.
- **Lease Renewals** | Per CCDC, lease extensions are not assumed. Thus, lease revenue in the model phases out as current lease terms expire.
- **Collections Loss** | Collection loss is not anticipated in Projected Revenues. All tenants are assumed to pay rents in full until lease expiration.

2b

PROJECTED INTEREST ON FUND BALANCE

- **Fund Balance** | The Original URD's 2019 Fund Balance was the last known balance reported by CCDC. All future year fund balances are projected based on the 2019 Fund Balance, Projected Revenues and Projected Costs.
- **Interest on Fund Balance** | 1% interest on the prior year's fund balance is included as other revenue, through the termination of the Proposed Amended URD in 2026. Interest earnings account for approximately \$269,000 in revenue, undiscounted, over the remaining life of the Proposed Amended URD.

2c

TRANSFERS FROM OTHER AGENCIES

- **Revenue Sharing & Reimbursements** | In FY 2021, CCDC expects the Proposed Amended URD will receive a total of \$1.6 million from revenue sharing agreements and reimbursements. Revenue sharing agreements with both the City of Boise and the Ada County Highway District are anticipated to support specific projects subject to actual annual budgeting for each respective project. This projection is not binding for CCDC, the City of Boise or Ada County Highway District.

Revenue Results

In total, the Proposed Amended URD is projected to generate approximately \$39.0 million in Projected Revenue through its remaining life, undiscounted, to fund Projected Costs. Discounted at 4%, these revenues are anticipated to be approximately \$34.6 million in 2020 dollars. Annual Projected Revenues are summarized in **Figure 4**.

Projected Revenues include irregular increases in FY 2021 and FY 2022 due to (1) anticipated revenue sharing income from other agencies in FY 2021 and (2) addition of real property increment from the 1100 W. Idaho development in FY 2022.

Figure 4. Projected Revenues, 2020-2026 (Undiscounted)



Source: Ada County Assessor; CCDC; SB Friedman

Figure 5: Revenue Model Summary

Fiscal Year [1]	PROJECTED INCREMENTAL PROPERTY TAX REVENUES [2]			PROJECTED OTHER REVENUES	Total Projected Revenues
	Projected appreciation of real estate in Original URD [3]	Projected appreciation of real estate in Amendment Area [4]	From addition of new development [5]	From office leases, interest on fund balance and projected transfers from other agencies	
2020	\$3,818,537	\$0	\$0	\$386,437	\$4,204,974
2021	\$4,058,000	\$0	\$0	\$1,927,695	\$5,985,695
2022	\$4,527,177	\$904	\$875,702	\$149,932	\$5,553,715
2023	\$4,654,984	\$1,827	\$893,216	\$107,035	\$5,657,062
2024	\$4,785,346	\$2,768	\$911,081	\$16,606	\$5,715,801
2025	\$4,918,317	\$3,727	\$929,302	\$24,697	\$5,876,043
2026	\$5,053,946	\$4,706	\$947,888	\$25,790	\$6,032,330
Total	\$31,816,307	\$13,932	\$4,557,190	\$2,638,191	\$39,025,620

Source: Ada County Assessor; CCDC; SB Friedman

[1] The Westside URD will receive collections from the 24th and last year of the URD in FY 2026, or September 30, 2026. Note that taxes are collected one year in arrears (e.g. taxes for FY 2020 are modeled to be collected in FY 2021).

[2] Incremental TV for the prior year multiplied by the assumed levy rate. The property tax levy rates were provided by CCDC through 2021. The latest available rate is from 2019, 2020 onward are estimates. SB Friedman assumed the three-year average from 2019-2021 is held constant beginning in 2022 through the District's termination in 2026.

[3] Assumes 2.0% annual appreciation.

[4] Amendment Area added with a retroactive base year of January 1, 2020.

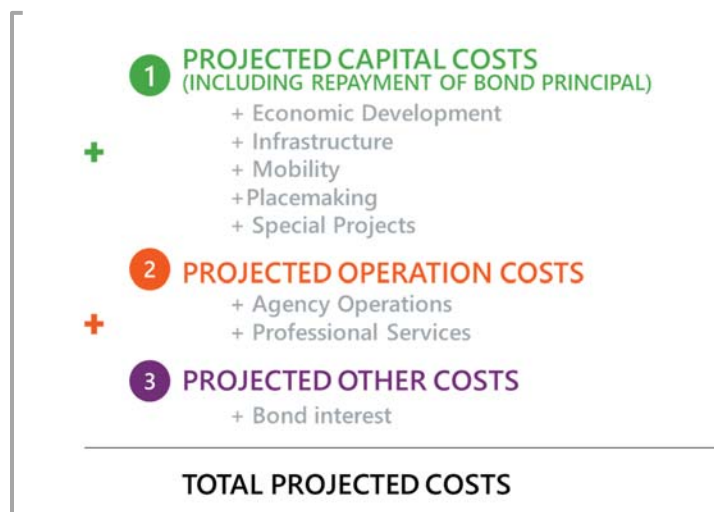
[5] Revenue from new development increment and appreciation on all following years.

6. Projected Costs

Section 4 summarizes Historic Project Costs through FY 2019. CCDC provided SB Friedman with a list of anticipated projects and associated Projected Costs for the remaining years of the Proposed Amended URD. Idaho Code 50-2905 requires a detailed list of estimated project costs the urban renewal district is likely to incur in the revenue allocation area. Idaho Code 50-2905 also requires improvements be provided with specificity, including the kind, number and location of all proposed public works or improvements in addition to the estimated cost of each. **Appendix IV** details Projected Costs, including the kind, number, and location of projects.

Components

Projected Costs provided by CCDC align with the Historic Cost categories outlined in **Section 4**: (1) Capital Costs, (2) Operation Costs, and (3) Other Costs. The Other Costs component includes interest repayment for the anticipated \$10.0 million and \$2.9 million bonds, issued in 2021 and 2023 respectively. Bond proceeds fund Capital Costs in the near term, allowing for additional flexibility in funding larger-scale projects.



Assumptions

A series of known inputs and assumptions undergird the Proposed Amended URD's Projected Costs:

- 1 PROJECTED CAPITAL COSTS**
 - **Source of Funds** | SB Friedman assumed the Proposed Amended URD will make cash payments for all Projected Costs, except those paid with the proceeds of two bonds: (1) a \$10.0 million bond issued in 2021, and (2) A \$2.9 million bond issued in 2023. Additional bonding assumptions are provided in **Section 7**.
 - **Annual Cost Escalation** | CCDC provided Projected Costs in 2020 dollars. Costs paid out of cash flow were escalated at 2.0%, annually, to the year of spending. All projects funded with the proceeds of the 2021 bond were left in 2020 dollars. All projects funded with the proceeds of the 2023 bond were inflated to 2023.

2 PROJECTED OPERATION COSTS

- **Annual Cost Escalation** | CCDC-provided Operation Costs for agency initiatives, operations & professional services are in current year dollars and do not require escalation.

3 PROJECTED OTHER COSTS

- **Bond Interest** | See **Section 7** for detailed bonding assumptions.

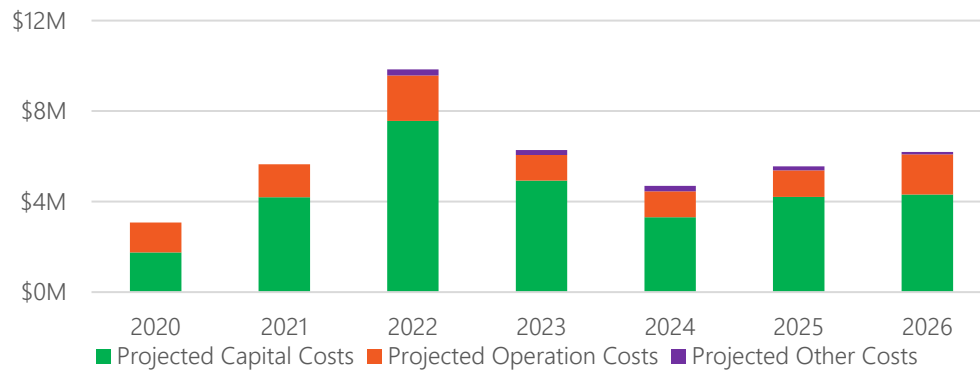
Projected Costs Summary

As demonstrated in **Figures 6-7**, Capital Costs and Operation Costs account for almost 98% of all Projected Costs. Projected Other Costs include interest on the proposed debt. A total of \$40.3 million in Projected Costs are anticipated between 2020 and 2026.

Like Historic Capital Costs, Projected Capital Costs advance CCDC's five key objectives: Economic Development, Infrastructure, Mobility, Placemaking, and Special Projects. A selection of Projected Capital Costs are highlighted below by objective. **Appendix IV** further details Projected Capital Costs including timing by Projected Cost.

- **Economic Development** | Proposed Capital Costs for Economic Development include acquiring a series of parcels for future redevelopment and supporting various private investments.
- **Infrastructure** | Proposed Capital Costs for Infrastructure include a variety of streetscaping projects. Major projects include improvements to W. State Street and N. 8th Street
- **Mobility** | Proposed Capital Costs for Mobility include preliminary engineering work for downtown mobility infrastructure.
- **Placemaking** | Proposed Capital Costs for Placemaking include the funding for the Westside Urban Park which will bring additional open space to Downtown Boise and complement adjacent private investments.
- **Special Projects** | Proposed Capital Costs for Special Projects include funding for various new and ongoing public art projects such as the wrapping of City of Boise traffic boxes.

To confirm economic feasibility SB Friedman used the 2019 Fund Balance and Revenue Projections described in **Section 5** and constructed the Feasibility Model to balance Projected Available Funds and Projected Costs. The Feasibility Model is presented in detail in the following section.

Figure 6. Projected Costs, 2020-2026 (Undiscounted)

Source: CCDC; SB Friedman

Figure 7. Summarized Projected Costs, 2020-2026 (Undiscounted)

Projected Capital Costs	
(including repayment of bond principal)	
	73%
Economic Development	\$7,760,000
Infrastructure	\$12,049,500
Mobility	\$2,950,000
Placemaking	\$6,325,000
Special Projects	\$195,000
Projected Operation Costs	
Agency Operations	\$6,927,400
Professional Services	\$3,083,900
Projected Other Costs	
Bond Interest	\$984,700
Total Projected Project Costs	
	100%
	\$40,275,500

Source: CCDC; SB Friedman

7. Economic Feasibility

Components

SB Friedman created a model to assess economic feasibility of the Proposed Amended URD using the following key inputs:

1. **2019 Fund Balance** | Introduced in **Section 4**
2. **2020-2026 Projected Revenues** | Introduced in **Section 5**
3. **2020-2026 Projected Costs** | Introduced in **Section 6**
4. **2020 Bond Assumptions**

The 2019 Fund Balance is the starting point for the Feasibility Model. *Annual* fund balances (total annual revenues minus total annual costs) are added to the *cumulative* fund balance from the prior year to obtain cumulative fund balance for the present year. SB Friedman projected cumulative fund balances for 2020-2026, ensuring the Proposed Amended URD maintained a positive cumulative fund balance for the remainder of its life.

Bond Assumptions

SB Friedman reconciled Projected Costs (introduced in **Section 6**) with Projected Available Funds to define a financially feasible plan to fund Projected Costs. It is assumed the Proposed Amended URD will make cash payments for all Project Costs, except those paid with the proceeds of the assumed \$10.0 million bond (issued in 2021) and \$2.9 million bond (issued in 2023). All other projects are funded through the Projected Available Funds. As stated previously, costs paid out of cash flow are inflated to the year of spending, while costs paid from the proceeds of the 2021 bond are left in 2020 dollars and those paid from the proceeds of the 2023 bond are inflated to 2023 dollars. In evaluating bond feasibility, SB Friedman included the following key assumptions in the Feasibility Model:

- **Interest Rate** | SB Friedman assumed an annual bond interest rate of 2.85%. The rate is reflective of recent CCDC experience with bonding in mature urban renewal districts and could be confirmed after consultation with a Municipal Advisor.
- **Issuance Cost** | No costs of issuance such as legal fees, municipal advisor fees and other costs are assumed.
- **Debt Service Structure** | Debt service varies for the two bonds:
 - SB Friedman assumed level principal and interest payments for the 2021 bond. The bond term for the bond is 5 years; repayment occurring between 2022 and 2026.
 - The bond term for the bond issued in 2023 is 3 years; with level principal and interest payments followed by a balloon payment in the third year.

Results

In the scenario of Projected Available Funds described, the Proposed Amended URD could fund all Projected Costs by termination in 2026, including the retirement of both identified bonds.

The Feasibility Model resulted in a cumulative September 30, 2026 fund balance of \$2.9 million which would revert to local taxing bodies if realized at the expiration of the Proposed Amended URD in 2026. This scenario requires the following key assumptions:

- Revenue assumptions introduced in **Section 5** materialize;
- A \$10.0 million bond is issued in 2021, and a \$2.9 million bond is issued in 2023; and
- Bond interest rates will be 2.85% and will be saleable in varying term durations.

Appendix V includes the complete Feasibility Model, confirming that sufficient revenues are projected to service the 2021 and 2023 bonds while covering all other costs out of cash flow (assuming assumptions are realized). While several of the Proposed Amended URD's final years have negative *annual* cash flows, the scenario results in a positive *cumulative* cash flow in every year.

SB Friedman concludes that this 2020 Feasibility Study confirms there is a plausible scenario, built upon specific market assumptions and trends, which allows for approximately \$40.3 million in Projected Costs to be funded over the remaining life of the Proposed Amended URD. This 2020 Feasibility Study is designed to serve as an attachment to the Plan Amendment, satisfying the requirement in Idaho Code 50-2905 that the plan shall include an economic feasibility study with specificity.

8. Alternative Sources of Funds

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

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

Appendix I: Limitations of Engagement

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

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

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

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

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

Legend:

- Proposed Amended URD
- Original URD Boundary
- Amendment Area
- Proposed Amended URD

Streets shown: W IDAHO ST, N 18TH ST, W BANNOCK ST, N 17TH ST, N 16TH ST, N 15TH ST, N 14TH ST, N 13TH ST, N 12TH ST, N 11TH ST, N 10TH ST, N 9TH ST, N 8TH ST, N 7TH ST, N 6TH ST, N 5TH ST, W FAIRVIEW AVE, W FRONT ST, W GRAND AVE, W GROVE ST, W IDAHO ST, W MAIN ST, W BANNOCK ST, W JEFFERSON ST, W STATE ST, S 16TH ST, S 15TH ST, S 14TH ST, S 13TH ST, S 12TH ST, S 11TH ST, S 10TH ST, S 9TH ST.

Scale: 0.5 Miles

North Arrow: N

SB Friedman Development Advisors

Appendix III: Revenue Model

General Model Assumptions		
Adjusted Frozen Taxable Value (TV) [1]		\$138,858,300
Annual Inflation [2]		2.0%
Annual Interest Rate on Fund Balance		1%

Total Revenue [4]		
Historic Revenues (FYs 2002-2019)		\$30,137,007
Projected Revenues (FYs 2020-2026)		\$39,025,620
Total Revenues		\$69,162,627

Amendment Area Assumptions		
Most Recent TV Available		2020
2020 TV [3]		\$3,369,800

		HISTORIC	PROJECTED								Source
URD Year	Fiscal Year (FY)	Historic Revenues (FYs 2002-2019)	Incremental TV from Original URD	Incremental TV from Amendment Area	Incremental TV from New Development	Total Incremental TV	Levy Rate	Incremental Property Tax Revenues	Other Revenues	Projected Revenues (FYs 2020-2026)	
[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	
0	2002										-
1	2003	\$367,726									Estimates
2	2004	\$381,111									Estimates
3	2005	\$537,882									Estimates
4	2006	\$600,048									Estimates
5	2007	\$1,109,961									Estimates
6	2008	\$1,497,845									Actuals
7	2009	\$1,925,404									Actuals
8	2010	\$2,040,086									Actuals
9	2011	\$1,934,650									Actuals
10	2012	\$1,732,187									Actuals
11	2013	\$1,778,610									Actuals
12	2014	\$1,514,099									Actuals
13	2015	\$2,078,966									Actuals
14	2016	\$2,363,233									Actuals
15	2017	\$2,635,913									Actuals
16	2018	\$3,469,292									Actuals
17	2019	\$4,169,994	\$290,183,300	\$0	\$0	\$290,183,300	1.32%				Actuals
18	2020		\$328,064,800	\$0	\$0	\$328,064,800	1.24%	\$3,818,537	\$386,437	\$4,204,974	Estimates
19	2021		\$337,403,262	\$67,396	\$65,264,700	\$402,735,358	1.34%	\$4,058,000	\$1,927,695	\$5,985,695	Estimates
20	2022		\$346,928,493	\$136,140	\$66,569,994	\$413,634,627	1.34%	\$5,403,784	\$149,932	\$5,553,715	Projections
21	2023		\$356,644,229	\$206,259	\$67,901,394	\$424,751,882	1.34%	\$5,550,027	\$107,035	\$5,657,062	Projections
22	2024		\$366,554,280	\$277,780	\$69,259,422	\$436,091,481	1.34%	\$5,699,195	\$16,606	\$5,715,801	Projections
23	2025		\$376,662,531	\$350,731	\$70,644,610	\$447,657,873	1.34%	\$5,851,346	\$24,697	\$5,876,043	Projections
24	2026							\$6,006,541	\$25,790	\$6,032,330	Projections

Amendment Area & 1100 W Idaho Development Added

NOTES ON FOLLOWING PAGE

[1]	Adjusted Frozen Taxable Value, per CCDC on September 4, 2020.
[2]	Assumes a 2.0% annual appreciation across the Original District and Amendment Area.
[3]	FY 2020 Taxable Value, per Ada County Assessor data.
[4]	Various inputs for Projected Revenues and Projected Costs provided by CCDC. Projections include both the 2021 and 2023 bonds as well as costs paid out of cash flow. CCDC data received 5/29/20, 6/16/20, 7/10/20, 7/16/20 and 8/17/20.
[5]	Assumes the Proposed Amended URD receives its final year of incremental property tax revenue and is dissolved on September 30, 2026.
[6]	The Westside URD will receive collections from the 24th and last year of the URD in FY 2026. Note that taxes are collected one year in arrears (e.g. taxes for 2020 are modeled to be collected in FY 2021).
[7]	Historic Revenues, Historic Costs and fund balances from FYs 2008-2019 come from CCDC's Independent Financial Statements. Actual figures for FYs 2003-2007 were unavailable due to changes in accounting detail. In lieu of actuals, Historic Revenues were estimated based on known incremental property taxes for those years, assuming Other Revenues make up the same share of total Historic Revenues observed for FYs 2008-2019. Historic Costs were estimated for the FYs 2003-2006 such that the cumulative fund balance for FY 2007 (Year 5) aligns with the first known fund balance, \$2,258,410, in that year.
[8]	Current year TV of the Original URD minus Adjusted Frozen TV(\$138,858,300); annual appreciation of 2.0% is assumed for all properties; the 1100 W. Idaho development is not included after 2020.
[9]	Current year TV of the Amendment Area minus TV as of January 1, 2020 (\$3,369,800); annual appreciation of 2.0% is assumed for all properties.
[10]	Current year TV for 1100 W. Idaho development after deducting its value prior to development; assumes annual appreciation of 2.0% in all years following delivery.
[11]	The sum of Incremental TV from (1) the Original URD, (2) the Amendment Area, and (3) New Development.
[12]	Incremental TV for the prior year multiplied by the assumed levy rate. The property tax levy rates were provided by CCDC through 2021. The latest available rate is from 2019, 2020 onward are estimates. SB Friedman assumed the three-year average from 2019-2021 is held constant beginning in 2022 through the District's termination in 2026.
[13]	Incremental TV multiplied by the assumed levy rate, collected in the following year. The Feasibility Model includes the Ada County Highway District (ACHD) levy (ACHD Levy) for all parcels. Within the Amendment Area, the ACHD Levy accounts for approximately \$1,000 in incremental property tax revenues through FY26.
[14]	Includes office lease revenues, interest earnings on the cumulative fund balance of the prior year, and projected transfers from other agencies.
[15]	Incremental Property Tax Revenues, plus Other Revenues.

Appendix IV: Projected Costs

		Cash Flow	2021 Bond	2023 Bond	Total	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
ECONOMIC DEVELOPMENT	Parcel Acquisition/Redevelopment - Type 5				\$2,000,000	\$0	\$2,040,000	\$0	\$0	\$0	\$0	\$0
	1024 W. Bannock St. - Hyatt Place - Type 2				\$360,000	\$120,000	\$122,400	\$124,848	\$0	\$0	\$0	\$0
	1118 W. Idaho St. - 11th & Idaho Bldg. – Type 2				\$1,100,000	\$0	\$0	\$416,160	\$424,483	\$324,730	\$0	\$0
	Land Purchase - 17th & Idaho				\$650,000	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0
	Avery Hotel - PP - Type 2 or Type 3				\$850,000	\$0	\$0	\$572,220	\$106,121	\$108,243	\$110,408	\$0
	Parcel Acquisition - Workforce/Missing Middle Housing				\$2,500,000							
	N. 8th St. & W. Washington ST. - PP - Type 2 or Type 3 (new URD Boundary)				\$300,000							
INFRASTRUCTURE	N. 8th St. Streetscape - W. Bannock St. to W. State St.				\$980,000	\$200,000	\$795,600	\$0	\$0	\$0	\$0	\$0
	Bannock Streetscape – N. 8th St. to N. 9th Street				\$237,500	\$237,500	\$0	\$0	\$0	\$0	\$0	\$0
	N. 8th St. Conduit Bank - W. Bannock St. to W. State St.				\$155,000	\$75,000	\$81,600	\$0	\$0	\$0	\$0	\$0
	8th & Bannock Cost Share with ACHD				\$410,000	\$0	\$418,200	\$0	\$0	\$0	\$0	\$0
	Pre Development & Community Engagement - Upcoming Projects				\$300,000	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122	\$55,204	\$0
	N. 11th St. Streetscape - 11th Street Extension and Area Improvements (New URD Boundary)				\$500,000	\$0	\$0	\$520,200	\$0	\$0	\$0	\$0
	1322 W Main Street PP Type 1				\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
	S. 15th St. Streetscape - West Side of S. 15th St. - W. Front St. to W. Idaho St.				\$300,000	\$0	\$0	\$312,120	\$0	\$0	\$0	\$0
	W. State St. Streetscape - N. 16th St. - N. 8th St. - Both Sides (Joint Project w/ACHD) + Conduit				\$1,600,000	\$50,000	\$51,000	\$1,560,600	\$0	\$0	\$0	\$0
	Participation Program Streetscape Reimbursements (Not yet awarded) - Type 1				\$2,000,000	\$0	\$408,000	\$416,160	\$424,483	\$432,973	\$441,632	\$0
	Westside - Consolidated Newspaper Boxes				\$16,000	\$16,000	\$0	\$0	\$0	\$0	\$0	\$0
	N. 15th Utilities - Undergrounding & Conduit				\$76,000	\$76,000	\$0	\$0	\$0	\$0	\$0	\$0
	N. 11th St. Streetscape - W. Grove St. to W. Washington St. Connectivity				\$2,300,000							
	N. 11th St. Streetscape - W. Grove St. to W. Washington St. Connectivity - Protected Bike Lanes				\$500,000							
	Safari Inn PP Type 1				\$25,000							
	W. Bannock St. Streetscape - N. 13th St. to N. 16th St.				\$900,000							
	N. 8th St, Streetscapes - W. State Street to W. Franklin Street (New URD Boundary)				\$1,500,000							
	WS Closeout - Accessments & Projects				\$200,000							
MOB.	Downtown Mobility Infrastructure				\$2,950,000	\$0	\$204,000	\$1,040,400	\$1,857,114	\$0	\$0	\$0
PLACEMAKING	Linen Blocks, W. Grove St. Improvements (S. 13th St. to S. 10th St.)				\$285,000	\$10,000	\$10,200	\$275,706	\$0	\$0	\$0	\$0
	Linen Blocks, W. Grove St. Improvements (S. 16th St. to S. 13th St.)				\$285,000	\$10,000	\$10,200	\$275,706	\$0	\$0	\$0	\$0
	N. 11th St. & N. Bannock St. – Westside Urban Park				\$205,000	\$205,000	\$0	\$0	\$0	\$0	\$0	\$0
	Public Space, WS District				\$1,190,000	\$0	\$0	\$0	\$47,754	\$48,709	\$1,214,489	\$0
	N. 11th St. & N. Bannock St. – Westside Urban Park				\$4,000,000							
	Public Art: N. 11th St. & N. Bannock St. – Westside Urban Park Art - Type 4				\$350,000							
	Tree Replacement/Addition with Community Forestry				\$10,000							
SPECIAL PROJECTS	Public Art: Treefort Footprint Public Art/Artist Designed Infrastructure, Grove Street				\$55,000	\$0	\$0	\$0	\$58,366	\$0	\$0	\$0
	Public Art: Eyes of the World Corner 16th & Grove in ROW				\$75,000	\$0	\$0	\$78,030	\$0	\$0	\$0	\$0
	Public Art: Record Exchange Mural				\$20,000	\$0	\$0	\$20,808	\$0	\$0	\$0	\$0
	Public Art: Re-Wrap Traffic Boxes				\$45,000	\$0	\$0	\$15,606	\$15,918	\$16,236	\$0	\$0
Projected Capital Costs					\$29,279,500							
Agency Operations					\$6,927,440							
Professional Services					\$3,083,900							
Projected Operation Costs					\$10,011,340							
Bond Interest					\$984,716							
Projected Other Costs					\$984,716							
TOTAL					\$40,275,556							

Source: CCDC; City of Boise; SB Friedman
[1] Costs presented in FY21-FY26 inflated to future value

Appendix V: Feasibility Model

General Model Assumptions		
Adjusted Frozen Taxable Value (TV) [1]	\$138,858,300	
Annual Inflation [2]	2.0%	
Annual Interest Rate on Fund Balance	1%	

Amendment Area Assumptions		
Most Recent TV Available	2020	
2020 TV [3]	\$3,369,800	

Total Revenue [4]	
Historic Revenues (FYs 2002-2019)	\$30,137,007
Projected Revenues (FYs 2020-2026)	\$39,025,620
Total Revenues	\$69,162,627

Total Expenditures [5]	
Historic Costs (FYs 2002-2019)	-\$25,040,368
Projected Costs (FYs 2020-2026)	-\$41,248,514
Total Project Costs	-\$66,288,881

		HISTORIC			PROJECTED							Source
URD Year	Fiscal Year (FY)	Historic Revenues (FYs 2002-2019)	Historic Costs (FYs 2002-2019)	Historic Balance (FYs 2002-2019)	Total Incremental TV	Levy Rate	Incremental Property Tax Revenues	Other Revenues	Projected Revenues (FYs 2020-2026)	Projected Costs (FYs 2020-2026)	Projected Balance (FYs 2020-2026)	
[6]	[7]	[8]	[8]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	
0	2002											-
1	2003	\$367,726	\$0	\$367,726								Estimates
2	2004	\$381,111	-\$184,579	\$564,257								Estimates
3	2005	\$537,882	-\$184,579	\$917,559								Estimates
4	2006	\$600,048	-\$184,579	\$1,333,028								Estimates
5	2007	\$1,109,961	-\$184,579	\$2,258,410								Estimates
6	2008	\$1,497,845	-\$666,639	\$3,089,616								Actuals
7	2009	\$1,925,404	-\$688,496	\$4,326,524								Actuals
8	2010	\$2,040,086	-\$1,290,077	\$5,076,533								Actuals
9	2011	\$1,934,650	-\$1,560,280	\$5,450,903								Actuals
10	2012	\$1,732,187	-\$1,561,041	\$5,622,049								Actuals
11	2013	\$1,778,610	-\$2,597,284	\$4,803,375								Actuals
12	2014	\$1,514,099	-\$1,375,529	\$4,941,945								Actuals
13	2015	\$2,078,966	-\$961,396	\$6,059,515								Actuals
14	2016	\$2,363,233	-\$1,040,041	\$7,382,707								Actuals
15	2017	\$2,635,913	-\$1,535,441	\$8,483,179								Actuals
16	2018	\$3,469,292	-\$8,956,291	\$2,996,180								Actuals
17	2019	\$4,169,994	-\$2,069,535	\$5,096,639	\$290,183,300	1.32%						Actuals
18	2020				\$328,064,800	1.24%	\$3,818,537	\$386,437	\$4,204,974	-\$3,073,728	\$6,227,885	Estimates
19	2021				\$402,735,358	1.34%	\$4,058,000	\$1,927,695	\$5,985,695	-\$5,646,912	\$6,566,668	Estimates
20	2022				\$413,634,627	1.34%	\$5,403,784	\$149,932	\$5,553,715	-\$9,843,420	\$2,276,964	Projections
21	2023				\$424,751,882	1.34%	\$5,550,027	\$107,035	\$5,657,062	-\$6,273,436	\$1,660,589	Projections
22	2024				\$436,091,481	1.34%	\$5,699,195	\$16,606	\$5,715,801	-\$4,906,714	\$2,469,676	Projections
23	2025				\$447,657,873	1.34%	\$5,851,346	\$24,697	\$5,876,043	-\$5,766,734	\$2,578,985	Projections
24	2026						\$6,006,541	\$25,790	\$6,032,330	-\$5,737,570	\$2,873,745	Projections

Amendment Area & 1100 W Idaho Development Added

NOTES ON FOLLOWING PAGE

- [1] Adjusted Frozen Taxable Value, per CCDC on September 4, 2020.
- [2] Assumes a 2.0% annual inflation across the Original District and Amendment Area.
- [3] FY 2020 Taxable Value, per Ada County Assessor data.
- [4] Total Revenues include the entire levy rate associated with parcels within the Westside URD.
- [5] Various inputs for Projected Revenues and Projected Costs provided by CCDC. Projections include both the 2021 and 2023 bonds as well as costs paid out of cash flow. Costs paid out of Cash Flow are inflated to future years value. CCDC data received 5/29/20, 6/16/20, 7/10/20, 7/16/20 and 8/17/20.
- [6] Assumed the Proposed Amended URD receives its final year of incremental property tax revenue and is dissolved in FY 2026.
- [7] The Westside URD will receive collections from the 24th and last year of the URD in FY 2026. Note that taxes are collected one year in arrears (e.g. taxes for 2020 are modeled to be collected in FY 2021).
- [8] Historic Revenues, Historic Costs and fund balances from FYs 2008-2019 come from CCDC's Independent Financial Statements. Actual figures for FYs 2003-2007 were unavailable due to changes in accounting detail. In lieu of actuals, Historic Revenues were estimated based on known incremental property taxes for those years, assuming Other Revenues make up the same share of total Historic Revenues observed for FYs 2008-2019. Historic Costs were estimated for the FYs 2003-2006 such that the cumulative fund balance for FY 2007 (Year 5) aligns with the first known fund balance, \$2,258,410, in that year.
- [9] Aggregated incremental TV projections from (1) the Original URD (not including development), (2) the Amendment Area (not including development), and (3) New Development. TV for FY 2020, per Ada County Assessor's data, serves as the starting value for Projected Revenues. A single development, 1100 W. Idaho St., fully assessed by FY 2021, is assumed.
- [10] Incremental TV for the prior year multiplied by the assumed levy rate. The property tax levy rates were provided by CCDC through 2021. The latest available rate is from 2019, 2020 onward are estimates. SB Friedman assumed the three-year average from 2019-2021 is held constant beginning in 2022 through the District's termination in 2026.
- [11] Incremental TV multiplied by the assumed levy rate, collected in the following year.
- [12] Includes office lease revenues, interest earnings on the cumulative fund balance of the prior year, and projected transfers from other agencies.
- [13] Incremental Property Tax Revenues, plus Other Revenues.
- [14] CCDC's Projected Costs for FYs 2020-2026, based on CCDC data received 5/29/20, and revised 6/16/20, 7/10/20, 7/16/20 and 8/17/20.
- [15] Projected revenues less projected expenditures, using the last known fund balance for FY 2019 as a starting value.