

**FIRST AMENDMENT TO THE  
URBAN RENEWAL PLAN  
WESTSIDE DOWNTOWN  
URBAN RENEWAL PROJECT**

**URBAN RENEWAL AGENCY OF BOISE CITY  
BOISE, IDAHO**

**Ordinance No. 6108  
Adopted December 4, 2001  
Effective December 8, 2001, publication**

**First Amendment to the  
Westside Downtown Plan  
Ordinance No. \_\_\_\_\_  
Adopted \_\_\_\_\_  
Effective \_\_\_\_\_, publication**

## BACKGROUND

This First Amendment (“First Amendment”) to the Urban Renewal Plan, Westside Downtown Urban Renewal Project (the “Plan”) amends the Plan for the following purposes: 1) to add approximately 3.4 acres of land contiguous to the northern boundary of the Westside District Project Area and generally bounded by 9<sup>th</sup> Street to the west, 8<sup>th</sup> Street to Franklin Street to the east, State Street to the south, and Washington Street to the north (the “East Node”); and 2) to add approximately 10.6 acres of land contiguous to the northern boundary of the Westside District Project Area and generally bounded by 13<sup>th</sup> Street to the west, 10<sup>th</sup> Street to the east, Washington Street to the south, and Franklin Street to the north, with the extension of an adjacent block to the south that is bounded by 11<sup>th</sup> Street to the west, 10<sup>th</sup> Street to the east, State Street to the south, and Washington Street to the north (the “West Node”). The scope of this First Amendment is limited to addressing the addition of area to the Westside District Project Area. It is important to note this First Amendment to the Plan does not extend the Plan’s duration. The Plan terminates on December 31, 2025; however, revenue allocation proceeds will be received in 2026 pursuant to Idaho Code § 50-2905(7).

This First Amendment to the Plan, which adds area to the Westside District Project Area, does not result in a reset of the base assessment roll values to the current equalized assessed values in the year following the amendment or modification of the Plan. House Bill 606, effective July 1, 2016, amended the Local Economic Development Act, Chapter 29, Title 50, Idaho Code, as amended (the “Act”), firmly establishing “[f]or plans adopted or modified prior to July 1, 2016, and for subsequent modifications of those urban renewal plans, the value of the base assessment roll of property within the revenue allocation area shall be determined as if the modification had not occurred.” Idaho Code § 50-2903(4). Though the provisions of Idaho Code § 50-2903A do not apply to the Plan, a plan amendment or modification to add area to an existing revenue allocation area pursuant to Idaho Code § 50-2033 is a specifically identified exception to a base reset. Idaho Code § 50-2903A(1)(a)(ii). This highlights the legislative support for these types of amendments.

Idaho Code § 50-2033 permits an urban renewal agency, after July 1, 2011, to add area to an existing revenue allocation area one (1) time “so long as the total area to be added is not greater than ten percent (10%) of the existing revenue allocation area and the area to be added is contiguous to the existing revenue allocation area . . . .” Idaho Code § 50-2033. Contiguity cannot be established solely by a shoestring or public or railroad right-of-way. *See* Idaho Code § 50-2033. The two geographic areas to be added to the Westside District Project Area are contiguous to the existing Project Area and combined are less than 10% of the existing revenue allocation area.

A separate base assessment value will be established for the areas to be added to the Westside District Project Area, effective retroactive to January 1, 2020. The Agency will receive an allocation of revenues from the added area from any increases in value above the base value through the remaining years of the Plan. The base values for the original Project Area will continue to be retroactive to January 1, 2001.

The area to be added to the Westside District Project Area was deemed to be a deteriorated area and/or a deteriorating area under the Law and the Act and, therefore, eligible

for inclusion into the existing revenue allocation area pursuant to the Westside Downtown Urban Renewal Area Amendment Eligibility Report, prepared by S.B. Friedman & Company, dated May 8, 2019 (the “Eligibility Report”). The Eligibility Report was submitted to the Agency, which by adoption of Resolution No. 1599 on May 13, 2019, found the additional area to be eligible and authorized the transmission of the Eligibility Report and Resolution to the Boise City City Council, together with the Agency’s recommendation that the area be designated as appropriate for an urban renewal project, and seeking direction from the City Council to proceed with an urban renewal plan amendment. The Boise City City Council, by adoption of Resolution No. RES-229-19 on June 4, 2019, found the area under consideration to be a deteriorating area or a deteriorated area in the City, as defined by the Law and the Act, and authorized preparation of a new plan area and/or a plan amendment.

## **AMENDMENTS TO THE PLAN**

1. Definitions. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to such terms in the Plan.

2. The following defined terms in the Plan are amended throughout the Plan as follows:

a. Delete “Project Area” and replace with “Amended Project Area” except where specifically referenced in this First Amendment.

b. Delete references to “Attachment 1” and replace with “Attachment 1, as supplemented by Attachment 1A” except where specifically referenced in this First Amendment.

c. Delete references to “Attachment 2” and replace with “Attachment 2, as supplemented by Attachment 2A” except where specifically referenced in this First Amendment.

d. Delete references to “Attachment 4” and replace with “Attachment 4, as supplemented by Attachment 4A” except where specifically referenced in this First Amendment.

e. Delete references to “Attachment 5” and replace with “Attachment 5, as supplemented by Attachment 5A” except where specifically referenced in this First Amendment.

3. Amendment to List of Attachments. The List of Attachments on Page 4 is amended by deleting the list of attachments and replacing it as follows:

Attachment 1: Legal Description of the Project Area and Revenue Allocation Area Boundaries

Attachment 1A: Legal Descriptions of the Boundaries of the Additional Areas

Attachment 2: Boundary Map of Project Area and Revenue Allocation Area Boundary

Attachment 2A: Boundary Map of the Additional Areas

- Attachment 3: Westside Downtown Framework Master Plan
- Attachment 3A: Map Depicting Expected Land Uses and Current Zoning Within the Areas Added by the First Amendment
- Attachment 4: Properties to Be Acquired
- Attachment 4A: Properties (Public and/or Private) Which May Be Acquired by Agency
- Attachment 5: Economic Feasibility Study for the Westside Downtown Urban Renewal Area
- Attachment 5A: Proposed Amended Westside Urban Renewal District Feasibility Study

4. Amendment to Section 100 of the Plan.

a. Section 100 is amended by deleting the list of attachments in the first paragraph and replacing it as follows:

Legal Description of the Project Area and Revenue Allocation Area Boundaries (Attachment 1);

Legal Descriptions of the Boundaries of the Additional Areas (Attachment 1A);

Boundary Map of Project Area and Revenue Allocation Area Boundary (Attachment 2);

Boundary Map of the Additional Areas (Attachment 2A);

Westside Downtown Framework Master Plan (Attachment 3);

Map Depicting Expected Land Uses and Current Zoning Within the Area Added by the First Amendment (Attachment 3A);

Properties to Be Acquired (Attachment 4);

Properties (Public and/or Private) Which May Be Acquired by Agency (Attachment 4A)

Economic Feasibility Study for the Westside Downtown Urban Renewal Area (Attachment 5)

Proposed Amended Westside Urban Renewal District Feasibility Study (Attachment 5A)

b. Section 100 is amended by deleting the list of planning documents in the sixth paragraph and replacing it as follows:

Document 1/Attachment 3

The Westside Downtown Framework Master Plan dated November 13, 2001, as adopted by the Agency pursuant to Resolution No. 861, dated October 15, 2001.

Document 2

(Reserved)

Document 3

Capital Improvement Plan

Document 4

Recommended Strategic Investments/Actions: Westside Downtown District (2016)

5. Amendment to Section 101.01 of the Plan. Section 101.01 entitled “CONFORMANCE WITH STATE OF IDAHO URBAN RENEWAL LAW OF 1965, AS AMENDED” is amended by adding new paragraphs to the end of the existing language as follows:

- d. Subsequent to adoption of this Plan in 2001, in late 2018, the Agency retained a third-party consultant to review approximately 14 acres of land adjacent and contiguous to the Project Area for an eligibility determination for an urban renewal project. The area reviewed included (1) land contiguous to the northern boundary of the Westside District Project Area and generally bounded by 9<sup>th</sup> Street to the west, 8<sup>th</sup> Street to Franklin Street to the east, State Street to the south, and Washington Street to the north (the “East Node”); and (2) land contiguous to the northern boundary of the Westside District Project Area and generally bounded by 13<sup>th</sup> Street to the west, 10<sup>th</sup> Street to the east, Washington Street to the south, and Franklin Street to the north, with the extension of an adjacent block to the south that is bounded by 11<sup>th</sup> Street to the west, 10<sup>th</sup> Street to the east, State Street to the south, and Washington Street to the north (the “West Node”).
- e. The additional area to be added to the Project Area was reviewed and determined to be a deteriorated area and/or a deteriorating area under the Law and the Act and, therefore, eligible for inclusion into the existing revenue allocation area pursuant to the Westside Downtown Urban Renewal Area Amendment Eligibility Report, prepared by SB Friedman, dated May 8, 2019 (the “Eligibility Report”). The Eligibility Report was submitted to the Agency, which by adoption of Resolution No. 1599 on May 13, 2019, found the additional area to be eligible and authorized the transmission of the Eligibility Report and Resolution to the City Council, together with the Agency’s recommendation that the area be designated as appropriate for an urban renewal project, and seeking direction from the City Council to proceed with an urban renewal plan amendment. The City Council by adoption of Resolution No. RES-229-19 on June 4, 2019, found the

area under consideration to be a deteriorating area or a deteriorated area in the City, as defined by the Law and the Act, and authorized preparation of a plan amendment. The 14 acres being added to the Project Area hereby create the “Amended Project Area” as further described and shown in Attachments 1, 1A, 2, and 2A.

- f. This First Amendment to the Plan (the “First Amendment”) was prepared and submitted to the Agency for its review and approval. The Agency approved the First Amendment by the adoption of Agency Resolution No. [\_\_\_\_] on [\_\_\_\_\_, 2020] and submitted the First Amendment to the City Council with its recommendation for adoption.
- g. In accordance with the Law, this First Amendment was submitted to the Planning and Zoning Commission of the City. After consideration of the First Amendment, the Commission reported to the City Council, by Resolution, finding that this First Amendment is in conformity with the City’s Comprehensive Plan, and as subsequently as amended.
- h. Pursuant to the Law and Act, the City Council having published due notice thereof, held a public hearing on the First Amendment. Notice of the hearing was duly published in the *Idaho Statesman*, a newspaper having general circulation in the City. The City Council adopted the First Amendment on \_\_\_\_\_, 2020, by Ordinance No. \_\_\_\_\_.

6. Amendment to Section 102 of the Plan. Section 102 is amended by adding new paragraphs following the last paragraph as follows:

During 2018 and early 2019, the City, Agency, and other interested parties began to examine the need to expand the Project Area to include all or a portion of Boise High School, the YMCA Downtown, the former Carnegie Library site, and the adjacent rights-of-way. The approximately 14 acres total of land to be added to the Project Area is separated into two separate geographic areas: the East Node, including approximately 3.4 acres, and the West Node, including approximately 10.6 acres, as further described above.

Both areas to be added to the Project Area include a substantial number of deteriorated or deteriorating structures and deterioration of site. There was significant visual evidence of cracked foundations, cracked or damaged windows, and significant water damage to existing structures. Further, cracked pavement and sidewalks, potholes, and damage to streetscape was observed throughout the East Node and West Node. The West Node, which includes Boise High School, exhibited a predominance of defective or inadequate street layout, as well as, faulty lot layout in relation to size, adequacy, accessibility or usefulness. The Boise High School site presents a large superblock, which blocks the 11<sup>th</sup> Street and 12<sup>th</sup> Street transportation corridors unlinking the neighborhoods to the north from downtown. The superblock, combined, with the smaller undevelopable YMCA parking parcels, present potential impediments to future development. Generally, the deteriorating conditions have resulted in economic and social liability. The East Node

includes a number of vacant or underutilized parcels representing an economic liability. The West Node includes parcels with no taxable value; however, both Boise High School and the YMCA require significant capital improvements. Further, due to the site and layout, those parcels are not easily transitioned to developable parcels.

The First Amendment embraces the principles set forth in the Plan and proposes improvements to public infrastructure and other publicly owned assets throughout the expansion area, creating the framework for the development of mixed-use, residential, commercial, and retail areas, improvements to educational facilities, improvements to other public facilities, including, but not limited to, streets, streetscapes, water and sewer improvements, environmental remediation/site preparation, public parking, community facilities, and pedestrian/bike amenities. A portion of the expansion area is underdeveloped and is not being used to its highest and best use due to deterioration of structures and site. Further, the East Node and West Node could better address pedestrian and bicycle uses connecting the neighborhoods to the north with the downtown core. The foregoing conditions have arrested or impaired growth in the expansion area.

7. Amendment to Section 200 of the Plan. Section 200 entitled “DESCRIPTION OF PROJECT AREA” is deleted and replaced as follows:

#### **DESCRIPTION OF THE AMENDED PROJECT AREA**

The boundaries of the Project Area and of the Revenue Allocation Area are described in Attachment 1 and are shown on the Boundary Map of Project Area and Revenue Allocation Area Boundary, in Attachment 2.

The boundaries of the areas added to the Project Area, pursuant to the First Amendment, are described in the Legal Descriptions of the Boundaries of the Additional Areas in Attachment 1A and are shown on the Boundary Map of the Additional Areas in Attachment 2A. Collectively, the Project Area, as amended, may be referred to as the “Amended Project Area.”

For purposes of boundary descriptions and use of proceeds for payment of improvements, the boundary shall be deemed to extend to the outer boundary of rights-of-way or other natural boundary.

The attachments referenced above are attached hereto and are incorporated herein by reference.

8. Amendment to Section 301 of the Plan.

a. Section 301 is amended by deleting paragraph f and replacing it as follows:

f. The installation, construction, or reconstruction of streets and utilities, including, removal, burying, or relocation of overhead utilities; extension of electrical distribution lines and transformers; improvement of

irrigation and drainage ditches and laterals; addition of fiber optic lines or other communication systems; and improvement of storm drainage facilities, flood control facilities, public parking facilities, and other public improvements, including, but not limited to, water and sewer improvements, fire protection systems, roadways, curbs, gutters, and streetscapes, which for purposes of this Plan, the term streetscapes includes sidewalks, lighting, landscaping, benches, bike racks, public art, and similar amenities between the curb and right-of-way line; and other public improvements, including parks, pedestrian/bike paths and trails, plazas, open space, and other recreational facilities; other public improvements related to the development of mixed-use residential, commercial, and retail areas, educational facilities, community facilities and other public facilities that may be deemed appropriate by the Board;

b. Section 301 is amended by deleting paragraph i. and replacing it as follows:

i. The preparation and assembly of adequate sites for the development and construction of facilities for mixed-use, residential, commercial and retail areas, recreational facilities, educational facilities, and other public or governmental use;

c. Section 301 is amended by adding paragraph l as follows:

l. The remediation of certain site conditions and other environmental remediation to encourage development of land by private enterprise.

d. Section 301 is amended by adding paragraph m as follows:

m. Other related improvements to those set forth above and as may be further described in Attachments 5 and 5A.

9. Amendment to Section 302 of the Plan. Section 302 is amended by deleting the first sentence of the second paragraph and replacing it as follows:

The Amended Project Area includes the area as described in Section 200, as amended by the First Amendment.

10. Amendment to Section 401 of the Plan. Section 401 is amended by deleting the paragraph and replacing it as follows:

The Amended Project Area includes the area as described in Section 200, as amended by the First Amendment. The proposed land uses to be permitted in the Amended Project Area for all land, public and private, are depicted in Attachments 3 and 3A.



11. Amendment to Section 402.01 of the Plan. Section 402.01 is amended by deleting the paragraph and replacing it as follows:

The zoning classifications for the Amended Project Area are shown and depicted in Attachment 3A. The Agency also recognizes those land uses permitted by conditional uses under each zoning classification, subject to the conditions imposed by the City of Boise pursuant to the conditional use process.

12. Amendment to Section 504 of the Plan.

a. Section 504 is amended by deleting the first sentence of the first paragraph and replacing it as follows: The Agency hereby adopts revenue allocation financing provisions as authorized by the Act, Chapter 29, Title 50, Idaho Code, effective retroactively to January 1, 2001, for the original Project Area and effective retroactively to January 1, 2020, for the area added to the Project Area by the First Amendment.

b. Section 504 is amended by deleting the first and second sentences of the fourth paragraph and replacing it as follows: A statement listing proposed public improvements and facilities, an economic feasibility study, estimated project costs, fiscal impact upon other taxing districts, and methods of financing project costs required by Idaho Code § 50-2905 is included in Attachment 5 for the Project Area, and as supplemented in Attachment 5A for the area added to the Project Area by the First Amendment, including a 2020 update for the existing Project Area. The information contained in Attachment 5A necessarily incorporates estimates and projections based on the Agency's present knowledge and expectations and includes analysis and assessment based on the additional estimated 14 acres added to the Project Area.

13. Amendment to Section 504.01 of the Plan. Section 504.01 is amended by deleting Section 504.01 and replacing it as follows:

Attachment 5 consists of the Economic Feasibility Study for the Westside Downtown Urban Renewal Area prepared by Keyser Marston Associates, Inc. Attachment 5A consists of the Proposed Amended Westside Urban Renewal District Feasibility Study, which includes an Economic Feasibility Study for the area added to the Project Area by the First Amendment, plus a 2020 update for the existing Project Area prepared by S.B. Friedman & Company (collectively, Attachments 5 and 5A are referred to as the "Study"). The Study constitutes the financial analysis required by the Act.

14. Amendment to Section 504.03 of the Plan. Section 504.03 is amended by deleting Section 504.03 and replacing it as follows:

Under the Act, the base assessed valuation for all revenue allocation areas cannot exceed gross/net ten percent (10%) of the current assessed taxable value for the entire City. According to the Ada County Assessor, the assessed taxable value for the City as of

January 1, 2019,<sup>1</sup> less homeowners' exemptions is \$27,742,463,491. Therefore, the 10% limit is \$2,774,246,349.

The adjusted base assessed value of each of the existing revenue allocation areas, plus the expansion area, as of January 1, 2020, is as follows:

Westside Downtown District	\$138,858,300
2020 Westside Downtown District Project Area Amendment	\$3,369,800
River Myrtle/Old Boise District	\$120,435,600
30th Street District	\$59,685,100
Shoreline District	\$117,552,700
Gateway East District	\$378,899,000
 TOTAL:	 \$818,800,500

The adjusted base values for the combined revenue allocation areas total \$818,800,500, which is less than 10% of the City's 2019 taxable value.

Further Idaho Code § 50-2033 provides that after July 1, 2011: "[a]n urban renewal plan that includes a revenue allocation area may be extended only one (1) time to extend the boundary of the revenue allocation so long as the total area to be added is not greater than ten percent (10%) of the existing revenue allocation area and the area to be added is contiguous to the existing revenue allocation area but such contiguity cannot be established solely by a shoestring or strip of land which comprises a railroad or public right-of-way." The Project Area consists of approximately 143.4 acres; therefore, the 10% geographic limit is approximately 14.3 acres. The area to be added to the Project Area, which is adjacent and contiguous to the Project Area, consists of approximately 14.1 acres, which is less than 10% of the acreage included in the Project Area.

15. Amendment to Section 508 of the Plan. Section 508 of the Plan is amended by deleting Section 508 and replacing it as follows:

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

The assessed value for each property in a revenue allocation area consists of a base value and an increment value. The base value is the assessed value as of January 1 of the year in which a revenue allocation area is approved by a municipality with periodic adjustments allowed by Idaho law. The addition of the geographic area to the Project Area does not reset the base; however, for the area added, the base value is the assessed

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<sup>1</sup> Due to the timing of the assessment process and creation of this First Amendment, the 2020 adjusted base values of the existing revenue allocation areas and the 2019 taxable values of the City have been used to establish compliance with the 10% limitation. Using these values, the total value of the existing revenue allocation areas combined with the value of this Amended Project Area are approximately 3% of the total taxable value of the City. Even assuming an increase in the taxable values of the City for 2020, the combined base values of the existing revenue allocation areas and the base value of the Amended Project Area would not exceed 10% of the current assessed taxable value for the entire City.

value as of January 1 of the year in which the municipality approved the expansion or, in this instance, January 1, 2020. The increment value is the difference between the adjusted base assessed value and current assessed taxable value in any given year while the property is in a revenue allocation area. Under Idaho Code § 63-802, taxing entities are constrained in establishing levy rates by the amount each budget of each taxing district can increase on an annual basis.<sup>2</sup> Taxing entities submit proposed budgets to the County Board of Commissioners, which budgets are required to comply with the limitations set forth in Idaho Code § 63-802. Therefore, with the exception of the Boise School District, the impact of revenue allocation is more of a product of the imposition of Idaho Code § 63-802 than the effect of urban renewal.

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

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

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

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<sup>2</sup> Recognizing the Boise School District's tort levy is the only levy constrained in this manner.

Pursuant to the First Amendment and the Study concerning the expansion, as 2020 certified levy rates are not determined until late September 2020, the 2019 certified levy rates have been used in the Study.<sup>3</sup> Those taxing districts and rates are as follows:

<b>Taxing District</b>	<b>Levy Rate</b>
Ada County	.002549212
Ada County Ambulance	.000121963
City of Boise	.005698506
Boise Auditorium	0
Boise Independent School District #1	.00359095
College of Western Idaho	.000128506
ACHD	.000771526
SW Ada County Mosquito Abatement	.000021765
	0.012882428

House Bill 587, as amended in the Senate, effective July 1, 2020, amends Idaho Code Section 50-2908 altering the allocation of revenue allocation funds to the Agency from the Ada County Highway District levy. This amendment applies only to the area to be added by this First Amendment, not the existing Project Area, and provides: “[i]n the case of a revenue allocation area first formed or expanded to include the property on or after July 1, 2020, all taxes levied by any highway district, unless the local governing body that created the revenue allocation area has responsibility for the maintenance of roads or highways” will be allocated to the applicable highway district, which in this case is the Ada County Highway District.

However, amended Idaho Code Section 50-2908 further provides the highway district and Agency may enter into an agreement for a different allocation. A copy of any agreement is required to be submitted to the Idaho State Tax Commission and to the Ada County Clerk by the Ada County Highway District as soon as practicable after the parties have entered into the agreement and by no later than September 1 of the year in which the agreement takes effect. The area added by this First Amendment includes significant transportation elements, and the Agency intends to work with the Ada County Highway District to enter into an agreement allowing the Agency to retain the revenues from the highway district levies.<sup>4</sup>

Additionally, due to COVID-19, the state of Idaho is currently working to leverage \$200 million in federal coronavirus aid under the CARES Act to provide local property tax relief. This program is referred to as the Governor’s Public Safety Grants Initiative (“GPSGI”). Ada County and the City are eligible under the program. To the extent Ada County and/or the City elect to receive funds under the GPSGI, preliminary evidence of impact of the property tax relief indicates there could be a drop in levy rates for those taxing districts. The impact of this program

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<sup>3</sup> Due to the timing of the taxing districts’ budget and levy setting process, certification of the 2020 levy rates did not occur until this First Amendment had been prepared and considered by the Agency. In order to provide a basis to analyze the impact on the taxing entities, the 2019 levy rates are used. Use of the 2019 levy rates provides a more accurate base than estimating the 2020 levy rates.

<sup>4</sup> This First Amendment continues to be feasible despite any agreement with the Ada County Highway District for a different allocation. Projected revenues from the Ada County Highway District Levy in the area to be added by the First Amendment total less than \$1,000.00 for the remaining life of the Amended Project Area.

on the Agency is unknown; however, if increment values remain stagnant or drop, the result could be less revenue for the Agency in calendar year 2021.<sup>5</sup>

The Study has made certain assumptions concerning the levy rate. The 2020 levy rate is estimated to drop slightly to 1.24% and then increase in 2021 to 1.34% and remain constant for the life of the Amended Project Area. The annual increment value is expected to increase by an estimated 2.0% annually across the Amended Project Area for the remaining term of the Plan. If the overall levy rate is less than projected, or the land values do not increase as expected, or expected development fails to occur as estimated, the Agency shall receive fewer funds from revenue allocation.

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

16. Amendment to Section 500 of the Plan. Section 500 of the Plan is amended by the addition of new Section 509 entitled “LEASE REVENUE, PARKING REVENUE, AND BONDS” as follows:

#### **509 Lease Revenue, Parking Revenue, and Bonds**

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

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

17. Amendment to Section 500 of the Plan. Section 500 of the Plan is amended by the addition of new Section 510 entitled “MEMBERSHIP DUES AND SUPPORT OF COMMUNITY ECONOMIC DEVELOPMENT” as follows:

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<sup>5</sup> To the extent possible, efforts have been made to neutralize any impact on urban renewal agencies.

## **510 Membership Dues and Support of Community Economic Development**

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

18. Amendment to Section 800 of the Plan. Section 800 of the Plan is amended by deleting Section 800 and replacing it as follows:<sup>6</sup>

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan, shall be effective for twenty-four (24) years from the effective date of the adoption of the original Plan by the City Council in 2001, subject to modifications and/or extensions set forth in Idaho Code §§ 50-2904 and 50-2905(7). The revenue allocation authority will expire on December 31, 2025, except for any revenue allocation proceeds received in calendar year 2026, as contemplated by Idaho Code § 50-2905(7).

Idaho Code § 50-2903(5) provides the Agency shall adopt a resolution of intent to terminate the revenue allocation area by September 1. In order to provide sufficient notice of termination to the affected taxing districts to allow them to benefit from the increased budget capacity, the Agency will use its best efforts to provide notice of its intent to terminate this Plan and its revenue allocation authority by May 1, 2026<sup>7</sup> or if the Agency determines an earlier termination date, then by May 1 of the early termination year:

- a. When the Revenue Allocation Area plan budget estimates that all financial obligations have been provided for, the principal of and interest on such moneys, indebtedness, and bonds have been paid in full, or when deposits in the special fund or funds created under this chapter are sufficient to pay such principal and interest as they come due, and to fund reserves, if any, or any other obligations of the Agency funded through revenue allocation proceeds shall be satisfied and the Agency has determined no additional project costs need be funded through revenue allocation financing, the allocation of revenues under Idaho Code § 50-2908 shall thereupon cease; any moneys in such fund or funds in excess of the amount necessary to pay such principal and interest shall be distributed to the

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<sup>6</sup> This amendment does not seek to extend the duration of the Agency's revenue allocation authority; rather, the intent is to update this Section to better reflect the Idaho law provisions governing termination.

<sup>7</sup> Due to the difference between the tax year and the budget-levy setting cycle, this date contemplates the Agency's receipt of revenue allocation from assessments in 2025, consistent with Idaho Code § 50-2905(7).

affected taxing districts in which the Revenue Allocation Area is located in the same manner and proportion as the most recent distribution to the affected taxing districts of the taxes on the taxable property located within the Revenue Allocation Area; and the powers granted to the urban renewal agency under Idaho Code § 50-2909 shall thereupon terminate.

b. In determining the termination date, the Plan shall recognize that the Agency shall receive allocation of revenues in the calendar year following the last year of the revenue allocation provision described in the Plan.

c. For the fiscal year that immediately predates the termination date, the Agency shall adopt and publish a budget specifically for the projected revenues and expenses of the Plan and make a determination as to whether the Revenue Allocation Area can be terminated before January 1 of the termination year pursuant to the terms of Idaho Code § 50-2909(4). In the event that the Agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by May 1, but in any event, no later than September 1, the Agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the State Tax Commission, recommending the adoption of an ordinance for termination of the Revenue Allocation Area by December 31 of the current year and declaring a surplus to be distributed as described in Idaho Code § 50-2909 should a surplus be determined to exist. The Agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho State Tax Commission as provided in Idaho Code § 63-215.

Upon termination of the revenue allocation authority of the Plan to the extent the Agency owns or possesses any assets, subject to the following paragraph, the Agency intends to dispose of any remaining assets by granting or conveying or dedicating such assets to the City, unless based on the nature of the asset, disposition to another public entity is more appropriate.

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

19. Amendment to Section 1100 of the Plan. Section 1100 of the Plan is deleted and replaced with new Section 1100 entitled “ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS” as follows:

#### **1100 ANNUAL REPORT AND OTHER REPORTING REQUIREMENTS**

Under the Law, the Agency is required to file with the City, on or before March 31 of each year, a report of the Agency’s activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities,

income, and operating expenses as of the end of such calendar year. This annual report shall be considered at a public meeting to report these findings and take comments from the public.

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

20. Amendment to Plan to add new Attachment 1A. The Plan is amended to add new Attachment 1A entitled “Legal Descriptions of the Boundaries of the Additional Areas,” attached hereto.

21. Amendment to Plan to add new Attachment 2A. The Plan is amended to add new Attachment 2A entitled “Boundary Map of the Additional Areas,” attached hereto.

22. Amendment to Plan to add new Attachment 3A. The Plan is amended to add new Attachment 3A entitled “Map Depicting Expected Land Uses and Current Zoning Within the Area Added by the First Amendment,” attached hereto.

23. Amendment to Plan to add new Attachment 4A. The Plan is amended to add new Attachment 4A entitled “Properties Which May be Acquired by the Agency,” attached hereto.

24. Amendment to Plan to add new Attachment 5A. The Plan is amended to add new Attachment 5A entitled “Proposed Amended Westside Urban Renewal District Feasibility Study,” attached hereto.

25. Westside Downtown District Plan Remains in Effect. Except as expressly modified in this First Amendment, the Plan and the Attachments thereto remain in full force and effect.



## Attachment 1A

### Legal Descriptions of the Boundaries of the Additional Areas

## WESTSIDE URBAN RENEWAL PROJECT AMENDMENT

### East Node Description

A tract of land being all of Block 87 of the Boise City Original Townsite, Book 1 of Plats at Page 1, records of Ada County and portions of North 8<sup>th</sup> Street and West Washington Street. Said tract being situated in portions of Sections 3 and 10, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho and being more particularly described by record information as follows:

Commencing at the Section Corner common to Sections 3, 4, 9 and 10, of Township 3 North, Range 2 East, Boise Meridian thence South 88°31'56" East 3468.73 feet along the common line to said Sections 3 and 10 to a point, thence leaving said common line South 01°28'04" West 62.18 feet to the point of intersection of the northerly Right-Of-Way of West State Street and the Easterly Right-Of-Way of North 8<sup>th</sup> Street, said point also being on the northerly line of the original Westside Urban Renewal Project Boundary and being the **POINT OF BEGINNING**; thence continuing along said Northerly Right-Of-Way of West State Street and said original Westside Boundary

North 54° 46' 52" West 380.00 feet to the intersection with the Easterly Right-Of-Way of North 9<sup>th</sup> Street, thence leaving said Northerly Right-Of-Way and original Westside Boundary

North 35° 12' 12" East 340.00 feet along said Easterly Right-Of-Way of North 9<sup>th</sup> Street to the intersection with the Northerly Right-Of-Way of West Washington Street, thence leaving said Easterly Right-Of-Way of North 9<sup>th</sup> Street

South 54° 47' 27" East 300.08 feet along said Northerly Right-Of-Way of West Washington Street to the intersection with the Westerly Right-Of-Way of said North 8<sup>th</sup> Street, thence

North 35° 12' 59" East 259.81 feet along said Westerly Right-of-Way to the intersection with the Southerly Right-Of-Way of West Franklin Street, thence

South 54° 53' 00" East 80.00 feet to the intersection of said Southerly Right-Of-Way of West Franklin Street with the Easterly Right-Of-Way of said North 8<sup>th</sup> Street, thence

South 35° 12' 59" West 600.00 feet along said Easterly Right-Of-Way of North 8<sup>th</sup> Street to the **POINT OF BEGINNING**.

Said Tract contains 3.444 acres, more or less.



**WESTSIDE URBAN RENEWAL PROJECT AMENDMENT**  
West Node Description

A tract of land being all of Blocks 72, 77, 79 and 80 of the Boise City Original Townsite, Book 1 of Plats at Page 1, records of Ada County, a portion of West Franklin Street, a portion of West Washington Street, the vacated alleys in said blocks and vacated portions of North 11<sup>th</sup> and 12<sup>th</sup> Streets. Said tract being situated in a portion of Section 3, Township 3 North, Range 2 East, Boise Meridian, Boise City, Ada County, Idaho and being more particularly described by record information as follows:

Commencing at the Section Corner common to Sections 3, 4, 9 and 10, of Township 3 North, Range 2 East, Boise Meridian thence South 88°31'56" East 3468.73 feet along the Section line common to said Sections 3 and 10 to a point, thence leaving said common line South 01°28'04" West 62.18 feet to the point of intersection of the Northerly Right-Of-Way of West State Street and the Easterly Right-Of-Way of North 8<sup>th</sup> Street, said point also being on the northerly line of the original Westside Urban Renewal Project Boundary, thence continuing along said Northerly Right-Of-Way of West State Street and said original Westside Boundary North 54° 46' 52" West 840.00 feet to the intersection with the Westerly Right-Of-Way of North 10<sup>th</sup> Street being the **POINT OF BEGINNING**; thence continuing along said Northerly Right-Of-Way and original Westside Boundary

North 54° 46' 52" West 300.00 feet to the intersection with the Easterly Right-Of-Way of North 11<sup>th</sup> Street, thence leaving said Northerly Right-Of-Way, and continuing along said Easterly Right-Of-Way and said original Westside Boundary

North 35° 12' 59" East 340.00 feet to the intersection with the Northerly Right-Of-Way of West Washington Street, thence continuing along said Northerly Right-Of-Way and original Westside Boundary

North 54° 46' 42" West 760.00 feet to the intersection with the Easterly Right-Of-Way of North 13<sup>th</sup> Street, thence leaving said Northerly Right-Of-Way of West Washington Street and original Westside Boundary

North 35° 12' 34" East 340.00 feet along said Easterly Right-Of-Way of West 13<sup>th</sup> Street to the intersection with the Northerly Right-Of-Way West Franklin Street, thence continuing along said Northerly Right-Of-Way of West Franklin Street

South 54° 46' 44" East 1060.00 feet to the intersection with the Westerly Right-Of-Way of North 10<sup>th</sup> Street, thence

South 35° 12' 47" West 80.00 feet to the intersection with the Southerly Right-Of-Way of West Franklin Street, thence

South 35° 12' 47" West 259.99 feet along the Westerly line of a vacated portion of North 10<sup>th</sup> Street, to the intersection with the Northerly Right-Of-Way of West Washington Street and the along the Northerly extension of and Westerly Right-Of-Way of North 10<sup>th</sup> Street,

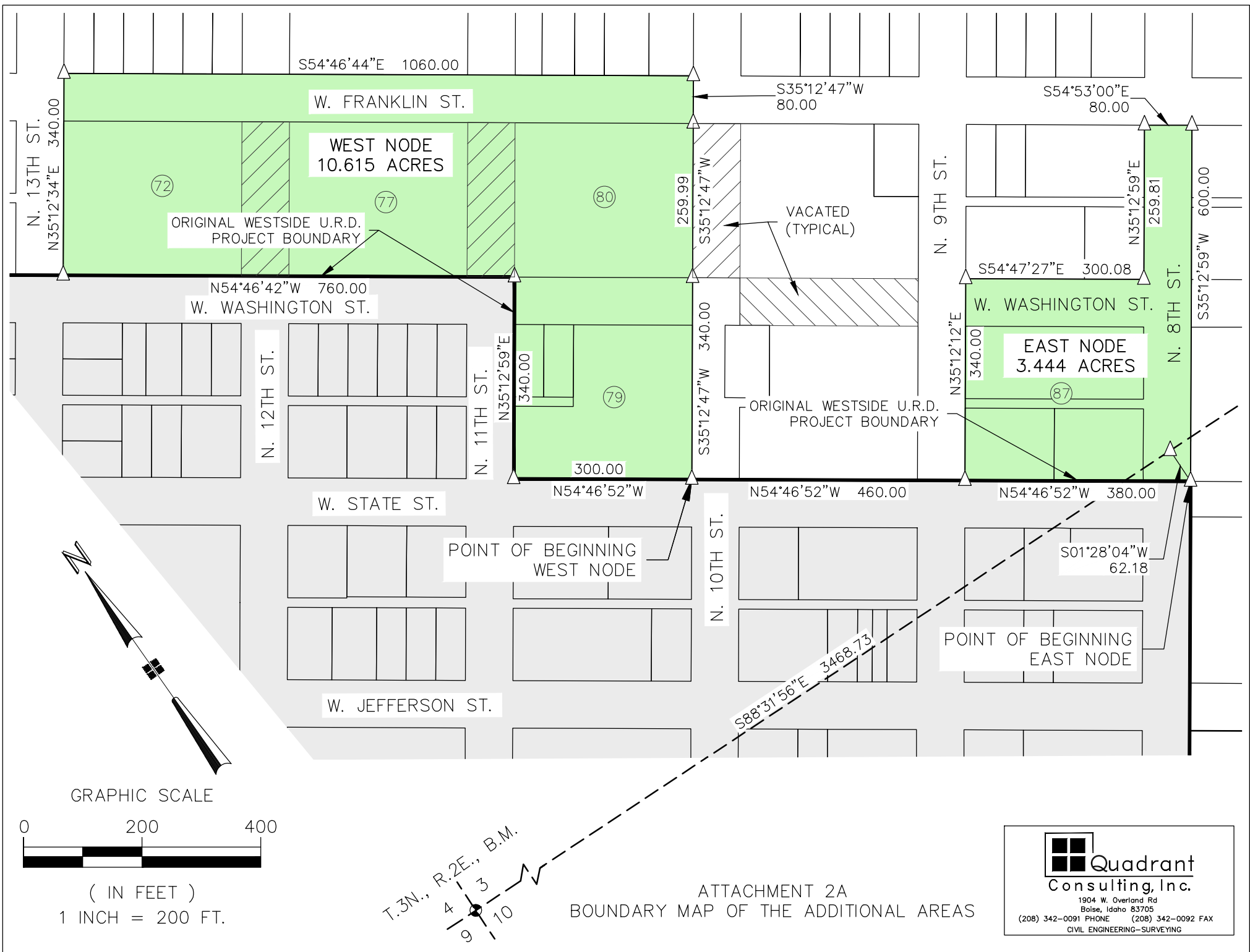
South 35° 12' 47" West 340.00 feet to the **POINT OF BEGINNING**

Said Tract contains 10.615 acres, more or less.



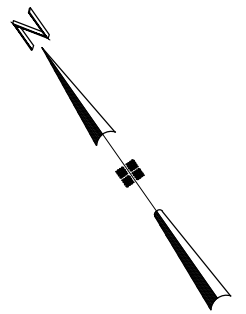
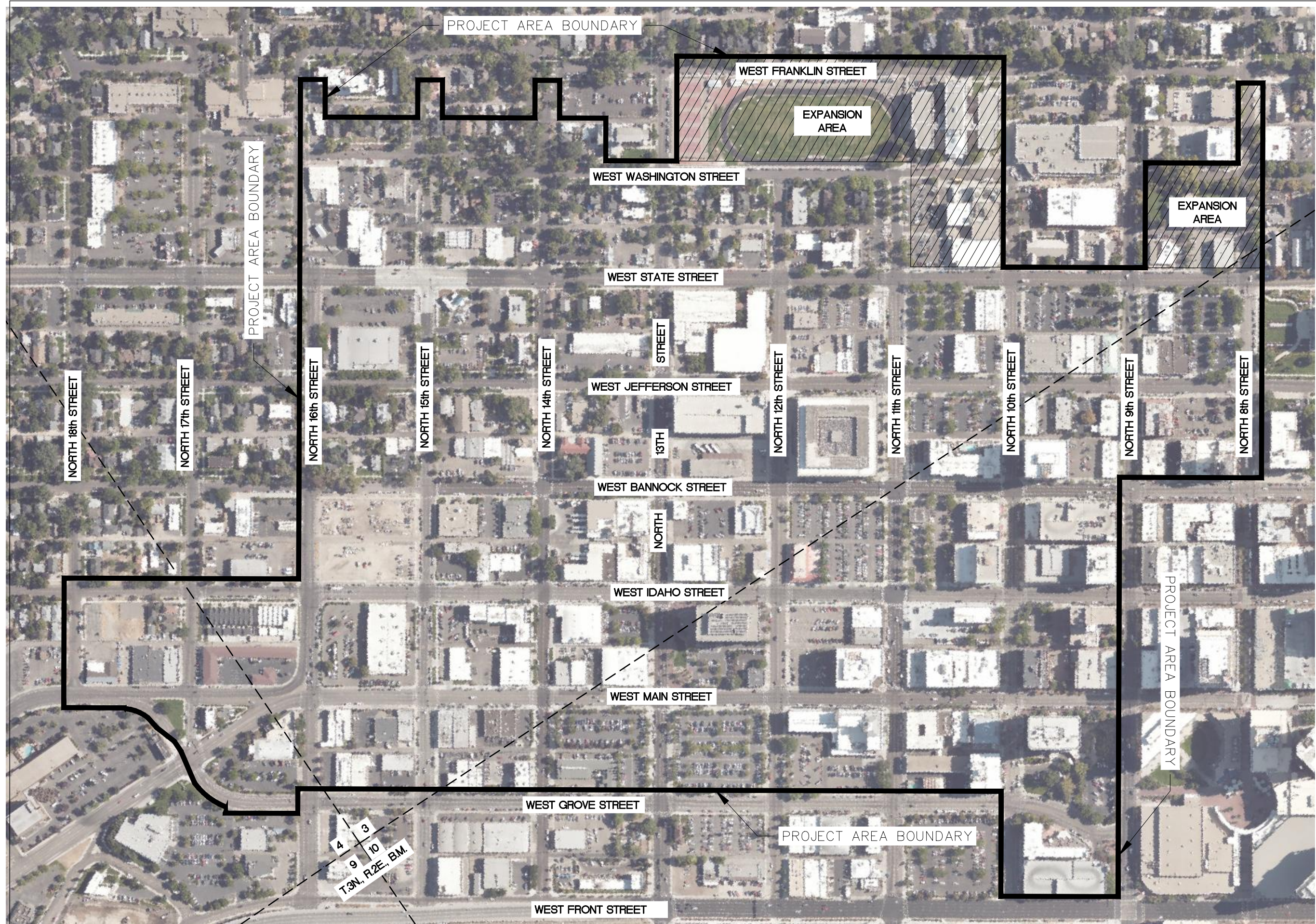
Attachment 2A

Boundary Map of the Additional Areas



ATTACHMENT 2A  
BOUNDARY MAP OF THE ADDITIONAL AREAS






GRAPHIC SCALE



( IN FEET )  
1 INCH = 300 FT.

URBAN RENEWAL PLAN  
**WESTSIDE DOWNTOWN  
URBAN RENEWAL PROJECT**  
BOISE, IDAHO  
PROJECT AND REVENUE ALLOCATION AREA  
BOUNDARY MAP  
SEPTEMBER 2020

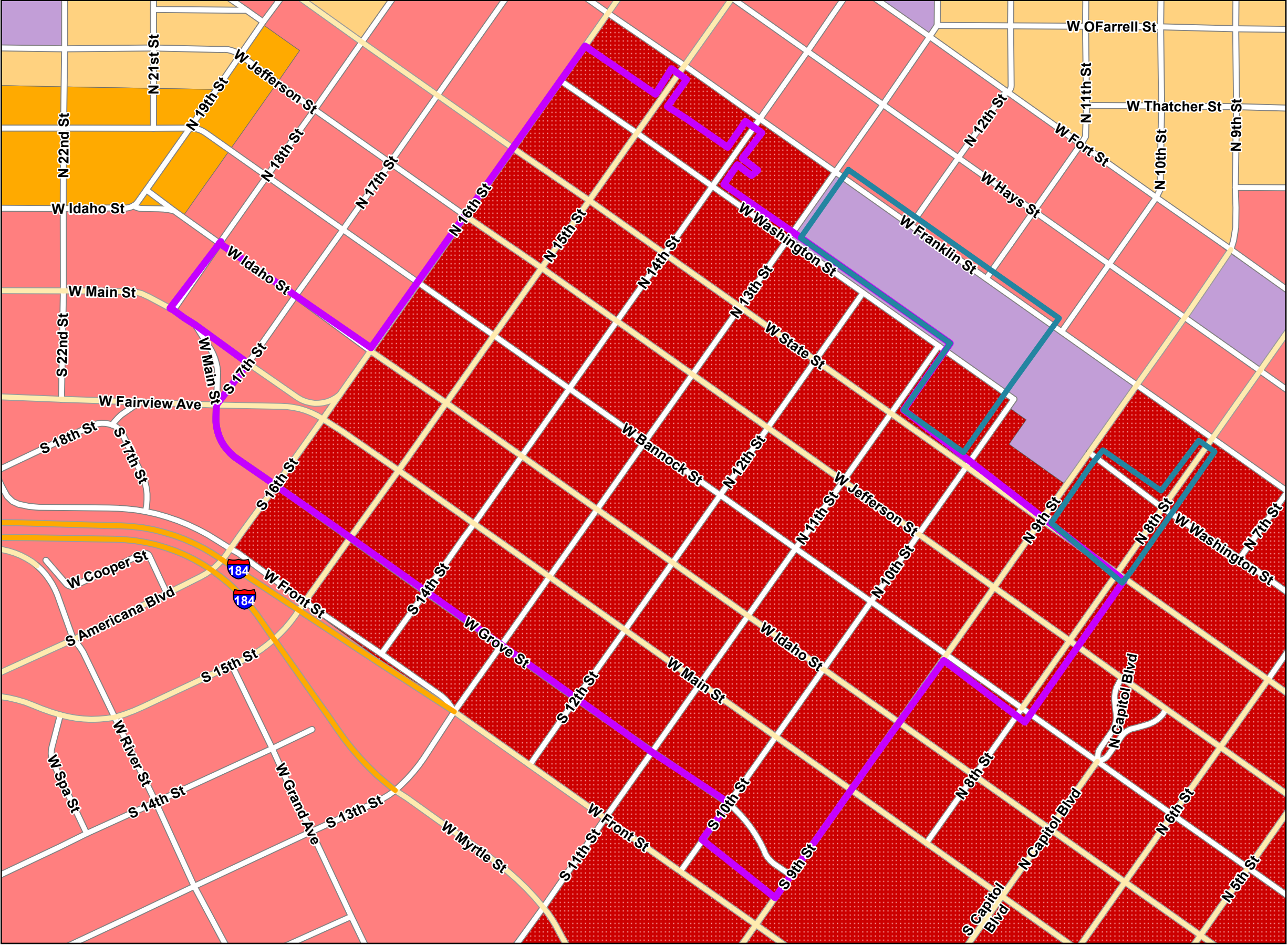
 **Quadrant  
Consulting, Inc.**  
1904 W. Overland Rd  
Boise, Idaho 83705  
(208) 342-0091 PHONE (208) 342-0092 FAX  
CIVIL ENGINEERING-SURVEYING



Attachment 3A  
Map Depicting Expected Land Uses and Current Zoning  
Within the Area Added by the First Amendment







# Legend

- Westside U.R.D Expansion
- Westside U.R.D
- Land Use**
- Airport
- BSU Master Plan
- Buildable
- Commercial
- Compact
- Downtown Mixed Use
- High Density
- Industrial
- Large Lot/Rural
- Mixed Use
- Office
- PC
- Parks/Open Space
- Public/Quasi-Public
- School
- Slope Protection
- Suburban

0 0.1 0.1 Miles



## Westside U.R.D Land Use

PDS - Comprehensive Planning Division

## Attachment 4A

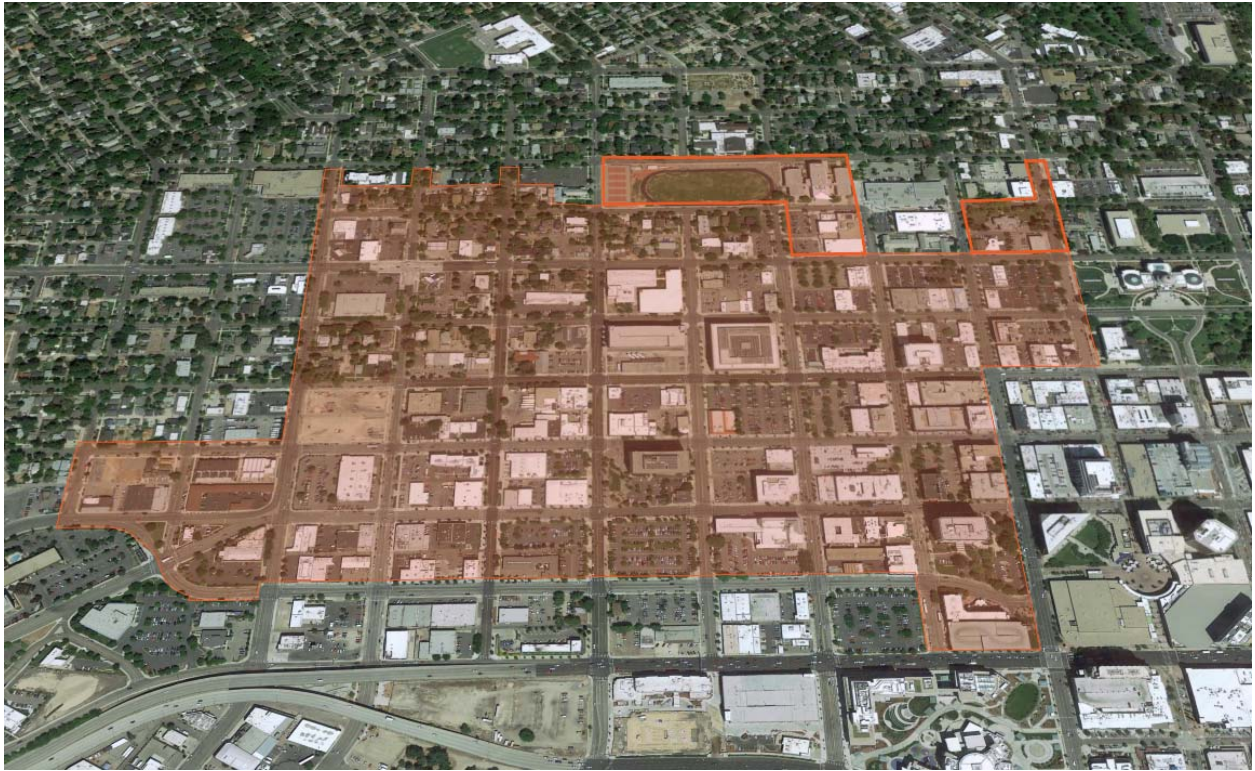
### Properties (Public and/or Private) Which May Be Acquired by Agency

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

Attachment 5A

Proposed Amended Westside Urban Renewal District Feasibility Study, prepared by S. B. Friedman & Company

4847-6772-7771, v. 6



CAPITAL CITY DEVELOPMENT CORPORATION

# Proposed Amended Westside Urban Renewal District Feasibility Study

**FINAL REPORT** | September 10, 2020



**CAPITAL CITY DEVELOPMENT CORPORATION**

# **Proposed Amended Westside Urban Renewal District Feasibility Study**

**September 10, 2020**

**S. B. FRIEDMAN & COMPANY**

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CAPITAL CITY DEVELOPMENT CORPORATION  
Proposed Amended Westside Urban Renewal District Feasibility Study

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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**



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

## 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 16<sup>th</sup> Street on the northwest, Franklin Street on the northeast, 8<sup>th</sup> 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
<b>Commercial</b>	\$405,855,200	52	\$3,369,800	1	\$409,225,000	53
<b>Residential</b>	\$53,887,400	5	\$0	0	\$53,887,400	5
<b>Land</b>	\$7,180,500	4	\$0	0	\$7,180,500	4
<b>Exempt</b>	\$0	20	\$0	9	\$0	28
<b>Right-of-Way [2]</b>	\$0	63	\$0	4	\$0	67
<b>Total [3]</b>	<b>\$466,923,100</b>	<b>143</b>	<b>\$3,369,800</b>	<b>14</b>	<b>\$470,292,900</b>	<b>157</b>

Source: Ada County Assessor, SB Friedman

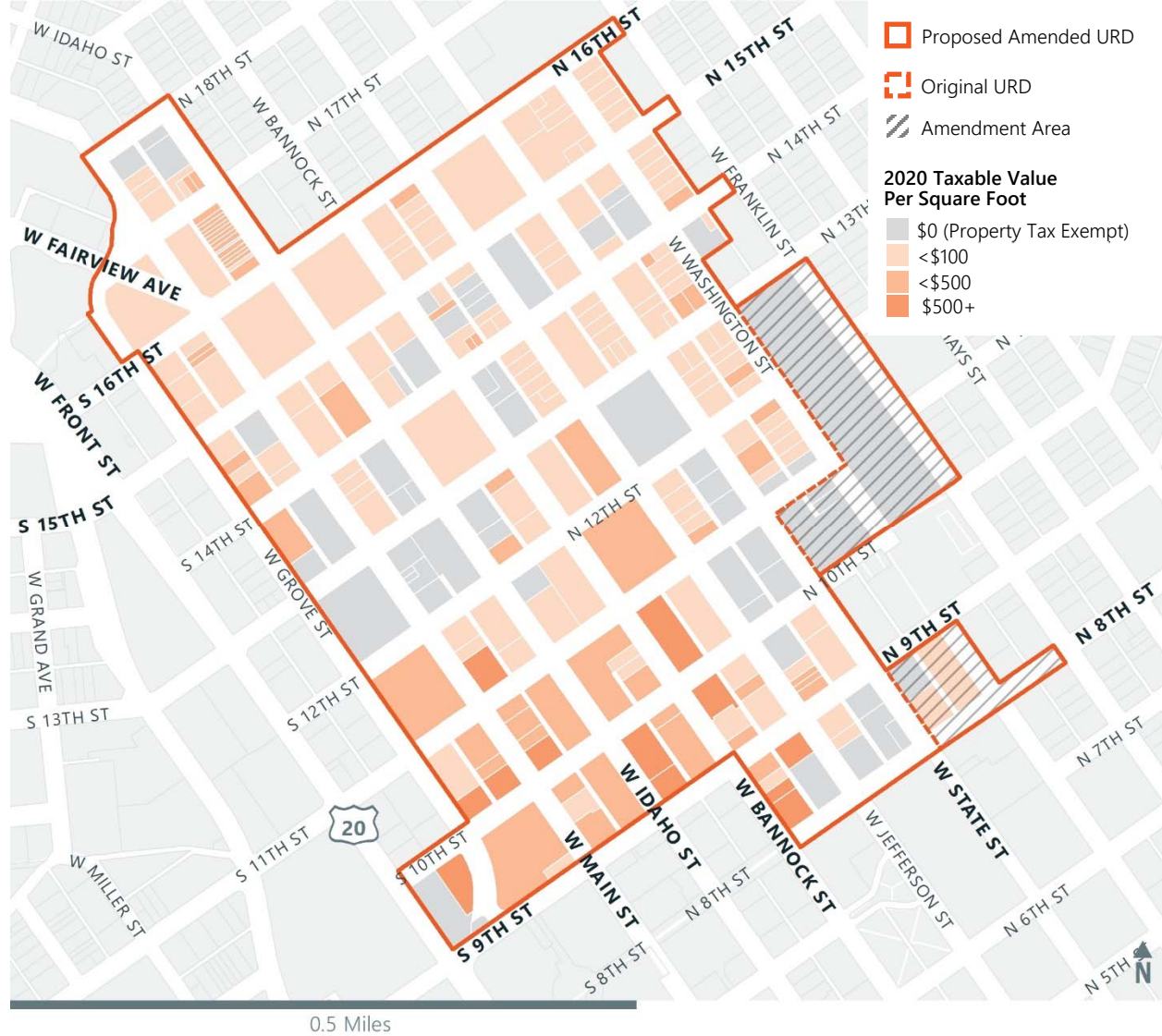
[1] Parcels with \$0 in value were coded as Exempt.

[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

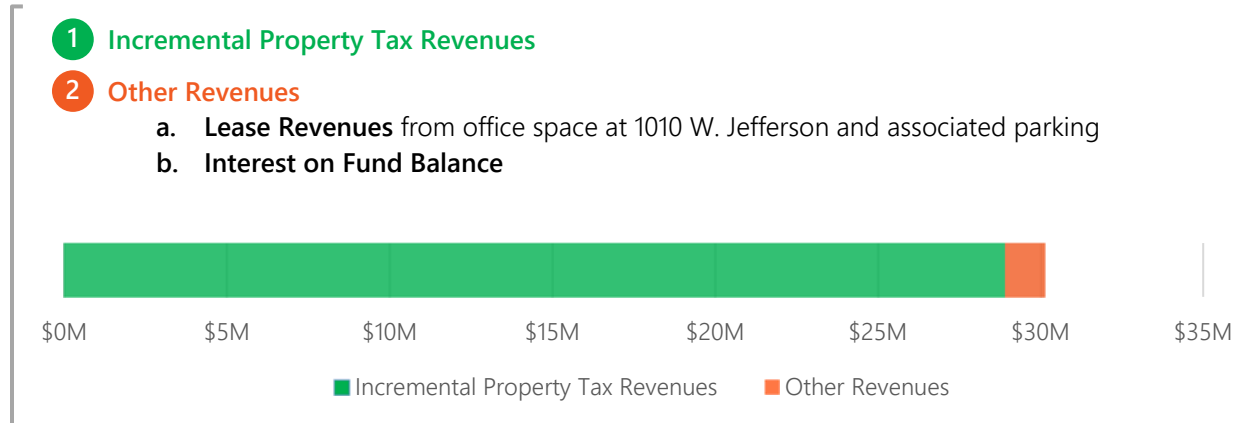
## 4. Historic Revenues & Costs

### 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:

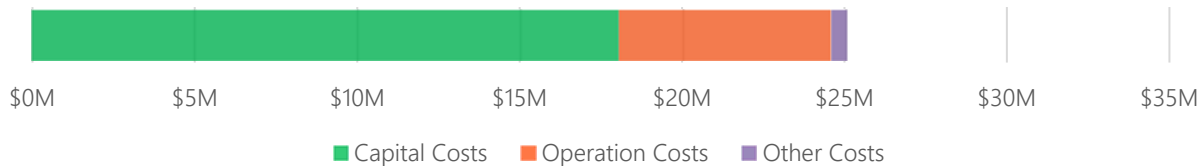


Of the \$30.1 million in Historic Revenues, approximately 96% were attributable to incremental property tax revenue. Revenue from lease payments on a CCDC-owned office building in the Original URD and interest collected on the annual fund balance comprised the remaining 4%.

## Cost Categories

The Original URD's primary Historic Cost categories included:

- 1 **Capital Costs**, primarily for
  - a. **Economic Development**
  - b. **Infrastructure**
  - c. **Placemaking**
  - d. **Mobility**
  - e. **Special Projects**
- 2 **Operation Costs**, primarily for
  - a. **CCDC Agency Operations**
  - b. **Professional Studies**
- 3 **Other Costs**
  - a. **Write Down of Property Held**



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 8<sup>th</sup> 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.

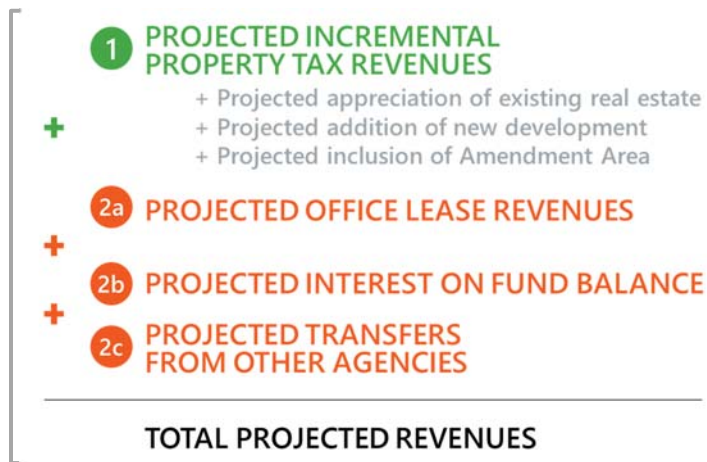


## 5. Projected Revenues

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
<b>Total</b>	<b>\$31,816,307</b>	<b>\$13,932</b>	<b>\$4,557,190</b>	<b>\$2,638,191</b>	<b>\$39,025,620</b>

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.

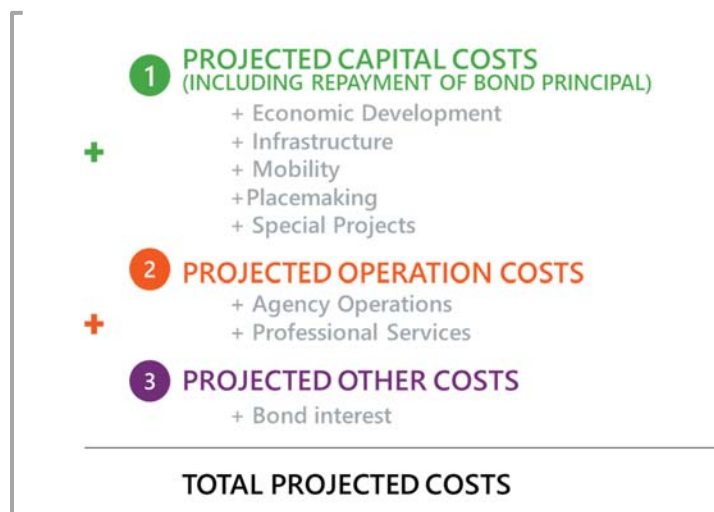
[5] Revenue from new development increment and appreciation on all following years.

## 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.

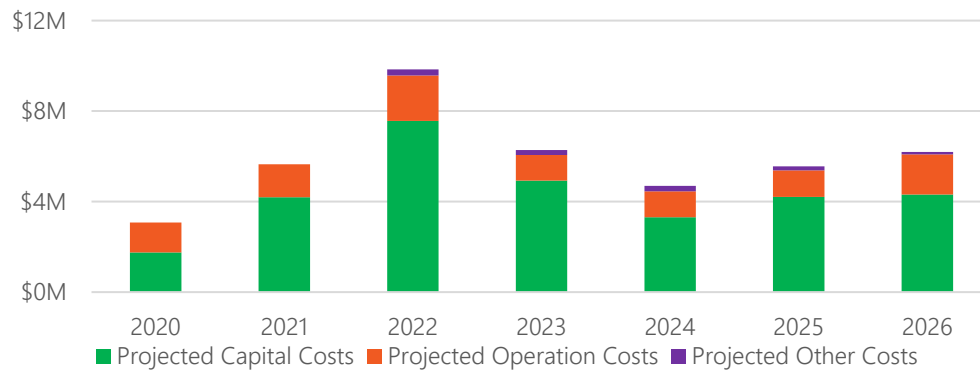
## Projected Costs Summary

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. 8<sup>th</sup> 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)**

<b>Projected Capital Costs</b>	
(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
<b>Projected Operation Costs</b>	
Agency Operations	\$6,927,400
Professional Services	\$3,083,900
<b>Projected Other Costs</b>	
Bond Interest	\$984,700
<b>Total Projected Project Costs</b>	
	100%
	<b>\$40,275,500</b>

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.

# Appendix II: Proposed Westside URD Boundary



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

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
	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.