

AGENDA BILL

Agenda Subject:	Date:		
Shoreline Urban Renewal Area Eligibility Study		10/09/2017	
Staff Contact:	Attachments:	I	
Shellan Rodriguez	 Shoreline Urban Renewal Study Area Map Resolution #1511 Shoreline Urban Renewal Area Eligibility Study 		
Action Requested:			
Resolution #1511 – Accepthe Boise City Council for	oting Shoreline Urban Renewal Area Eligit consideration.	pility Study and forward to	

Background:

In May 2016 the River Neighborhood Committee was formed and worked closely with the City of Boise to create the River Street Master Plan. The area studied is between the Boise River Greenbelt and the I-184 Connector, Myrtle Street and 9th Street, and is considered underdeveloped. The planning process included public stakeholder meetings attended by business owners, property owners, residents and representatives of public agencies. There has been open houses as well as work sessions with City of Boise Planning and Zoning and City Council. This Master Plan is nearly complete and is scheduled to be presented at City Council's public hearing on October 10, 2017.

Additionally, in early 2013 the Lusk Street Steering Committee was formed and assisted the City of Boise in planning and developing a Lusk Street Master Plan which included the area east of Ann Morrison Park, south of the Boise River, west of Capitol Boulevard, and north of the Boise Depot. One of its primary goals was to support Lusk Street as a pedestrian and bicycle oriented mixed-use storefront area that will continue to provide a unique mix of services. The Master Plan includes an Implementation Plan which identifies high priority actions such as working with CCDC to examine the possibility of a new urban renewal district and working with CCDC to explore partnerships and funding opportunities for locating a new parking garage/options in the area. That plan was finalized and adopted by City Council in December of 2013, after a series of committee and public stakeholder meetings and public work sessions.

These Master Plans incorporate areas that are within or just outside existing URDs. Extensive public outreach through neighborhood meetings and public meetings have occurred in order to bring together a diverse mix of stakeholders in forming the goals and objectives within the plans.

These plans identify a range of existing conditions and outline goals around transportation, sidewalks, bicycle/pedestrian, park improvements and land uses.

Since early 2017 CCDC Staff has been working to determine reasonable geographic boundaries for a proposed urban renewal study area that leverage the effort of the abovementioned Master Plans as well as identify areas that have experienced less investment as compared with neighboring areas. In determining the boundaries of the proposed study area, CCDC Staff reviewed areas where the creation of an urban renewal district would enable access to unique tools and resources not otherwise available to stimulate reinvestment and attract new development in an area that may not otherwise occur. The area was intended to be small enough to create meaningful and measurable outcomes and development plans, while also catalyzing areas that have not benefited as broadly from investment as perhaps nearby URDs have. The boundaries of the proposed study area were drafted, studied and reviewed by CCDC staff and leadership as well as City of Boise Staff.

Since May 2017, CCDC has been working under a Professional Services contract with SB Friedman Development Advisors (SBF) to conduct an eligibility analysis and to prepare an eligibility study determining whether the study area meets the statutory criteria pursuant to the Idaho Urban Renewal Law of 1965, Chapter 20, Title 50, Idaho Code (the "Law") and the Local Economic Development Act, Chapter 29, Title 50, Idaho Code (the "Act") (the "Eligibility Study"). SB Friedman is a firm based out of Chicago and has worked in different capacities with CCDC in the past few year. The firm came highly recommended and has extensive expertise in eligibility studies, tax increment financing, gap analysis and the creation of various type of districts including urban renewal districts.

In August 2017, CCDC staff received a final draft of the Eligibility Study. This was a culmination of a three-day fact finding trip by SBF staff as well as many hours working with staff to analyze data regarding existing conditions and statistics.

On September 11, 2017, Geoff Dickinson of SBF presented his team's findings to CCDC's Board. Later on September 26, 2017, Geoff Dickinson presented a similar PowerPoint to Boise City Council. The Eligibility Study clearly documents the conditions of the study area on a parcel by parcel basis and supports the finding that the study area is "deteriorating" based on six qualifying criteria as outlined in the Law and the Act. The six criteria, or eligibility factors, were found to be meaningfully present and reasonably distributed throughout the study area and each are evidenced within report.

Since these presentations, minor comments have been received and incorporated into the Eligibility Study.

Fiscal Notes:

The total contracted amount with SB Friedman for the Eligibility Study and all associated travel is \$42,930, which is within the amended FY 2017 budget and most has been nearly completed.

The FY 2018 budget, as approved on August 29, 2017, includes professional services for costs associated with the establishment of a potential new URD.

Staff Recommendation:

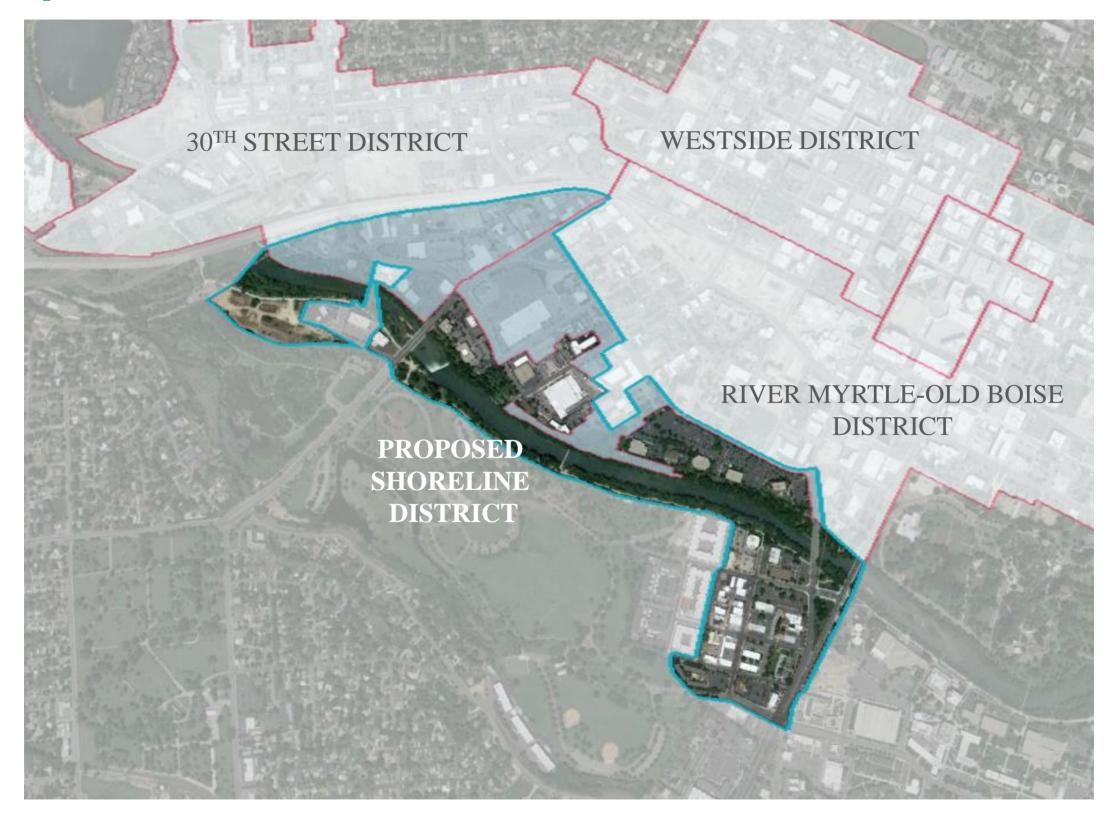
Approve Resolution #1511

Suggested Motion:

I move to approve Resolution #1511, which accepts the Shoreline Urban Renewal Area Eligibility Study and directs CCDC staff to forward to the Boise City Council for future consideration.

Proposed Shoreline URA District

Attachment 1





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

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF BOISE CITY, IDAHO, ACCEPTING THAT CERTAIN REPORT ON ELIGIBILITY FOR CERTAIN PROPERTY REFERRED TO AS THE SHORELINE AREA AS AN URBAN RENEWAL AREA AND REVENUE ALLOCATION AREA AND JUSTIFICATION FOR DESIGNATING THE AREA AS APPROPRIATE FOR AN URBAN RENEWAL PROJECT; AUTHORIZING AND DIRECTING THE CHAIR, VICE-CHAIR, OR EXECUTIVE DIRECTOR TO TRANSMIT THE REPORT AND THIS RESOLUTION TO THE CITY COUNCIL OF THE CITY OF BOISE REQUESTING ITS CONSIDERATION FOR DESIGNATION OF AN URBAN RENEWAL AREA AND SEEKING FURTHER DIRECTION FROM THE COUNCIL; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the City Council (the "City Council") of the City of Boise City, Idaho (the "City"), after notice duly published, conducted a public hearing on the River Street-Myrtle Street Urban Renewal Plan (the "River Street Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 5596 on December 6, 1994, approving the River Street Plan and making certain findings;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the First Amended and Restated Urban Renewal Plan, River Street-Myrtle Street Urban Renewal Project (annexation of the Old Boise Eastside Study Area and Several Minor Parcels) and Renamed River Myrtle-Old Boise Urban Renewal Project (the "River Myrtle-Old Boise Plan");

WHEREAS, following said public hearing, the City Council adopted its Ordinance No. 6362 on November 30, 2004, approving the River Myrtle-Old Boise Plan and making certain findings;

WHEREAS, the City Council, after notice duly published, conducted a public hearing on the 30th Street Area Urban Renewal Project Urban Renewal Plan ("30th Street Plan");

WHEREAS, the City Council, after notice duly adopted its Ordinance No. 6868 on December 4, 2012, approving the 30th Street Plan and making certain findings;

WHEREAS, the River Myrtle-Old Boise Plan and the 30th Street Plan and their project areas are collectively referred to herein as the "Existing Urban Renewal Plans;"

WHEREAS, based on inquiries and information presented by certain interested parties and property owners, the Agency commenced certain discussions concerning examination of an additional area as appropriate for an urban renewal project;

WHEREAS, in 2017, the Agency authorized SB Friedman Development Advisors to commence an eligibility study and preparation of an eligibility report of an area bounded by U.S. Highway 26 to the north and west, Capital Boulevard to the east, the Boise River Greenbelt to the south and into portions of adjacent office parcels and into the Lusk District. Part of the study area is within the Existing Urban Renewal Plans. The eligibility report area is commonly referred to as the Shoreline area;

WHEREAS, the Agency has obtained an eligibility study (the "Study"), which examined an area in Boise known as the Shoreline Urban Renewal Area for the purpose of determining whether such area was a deteriorating area and deteriorated area as defined by Idaho Code Sections 50-2018(9) and 50-2903(8);

WHEREAS, the Study, dated October 5, 2017, has been submitted to the Agency, a copy of which is attached hereto as Exhibit A;

WHEREAS, pursuant to Idaho Code Section 50-2008, an urban renewal project may not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or deteriorating area, or combination thereof, and designated such area as appropriate for an urban renewal project;

WHEREAS, Idaho Code Section 50-2906, also requires that in order to adopt an urban renewal plan containing a revenue allocation financing provision, the local governing body must make a finding or determination that the area included in such plan is a deteriorated area or deteriorating area;

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

<u>Section 1</u>. That the above statements are true and correct.

<u>Section 2</u>. That the Board acknowledges acceptance and receipt of the Study.

<u>Section 3.</u> That there are one or more areas within the City that are deteriorating or deteriorated areas as defined by Idaho Code Sections 50-2018(9) and 50-2903(8).

Section 4. That one such area is an area which includes property generally bounded by U.S. Highway 26 to the north and west, Capitol Boulevard to the east, Boise River Greenbelt to the South and into portions of adjacent office parcels and the Lusk District, parts of which are within the Existing Urban Renewal Plans, now commonly referred to as the Shoreline Urban Renewal Area.

<u>Section 5</u>. That the rehabilitation, conservation, and redevelopment, or a combination thereof, of such area is necessary in the interest of the public health, safety, and welfare of the residents of the City.

<u>Section 6</u>. That the Chair or Vice-Chair of the Board of Commissioners, or the Executive Director are hereby authorized to transmit the Study to the City of Boise City Council requesting that the City Council:

a. Determine whether the area identified in the Study qualifies as an urban renewal project and justification for designating the area, as appropriate, for an urban renewal project;

b. If such designation is made, whether the Agency should proceed with the preparation of an urban renewal plan for the area, which Plan may include a revenue allocation provision as allowed by law.

<u>Section 7</u>. That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED by the Urban Renewal Agency of Boise City, Idaho, on October 9, 2017. Signed by the Chair of the Board of Commissioners, and attested by the Secretary to the Board of Commissioners, on October 9, 2017.

APPROVED:

Ву_____

Chair of the Board

ATTEST:

Ву____

Secretary

4828-5713-0833, v. 3

RESOLUTION NO. 1511 - 3

Capital City Development Corporation Shoreline Urban Renewal Area Preliminary Eligibility Study

DRAFT REPORT: October 5, 2017



VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION

CAPITAL CITY DEVELOPMENT CORPORATION SHORELINE URBAN RENEWAL AREA PRELIMINARY ELIGIBILITY STUDY

October 5, 2017

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CAPITAL CITY DEVELOPMENT CORPORATION Shoreline Urban Renewal Area Preliminary Eligibility Study

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SB Friedman Development Advisors is the D.B.A. name of S. B. Friedman & Company

1. Executive Summary

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

Currently, a portion of the Study Area is located within portions of the 30th Street District and River Myrtle-Old Boise District Urban Renewal Areas (URAs). This Study assumes that, as required, parcels of land in the existing 30th Street District or River Myrtle-Old Boise District URAs will be removed prior to the adoption of the new Shoreline URA.

In addition, the Study Area as currently defined splits parcel boundaries in Ann Morrison Park. These proposed parcel splits are intended to narrow the geographic scope of the proposed URA to only include portions of the park that overlap the Boise River Greenbelt, and thus are potential candidates for access enhancements. This Study assumes that the City of Boise will create new parcels for the Greenbelt prior to the adoption of the URA district and/or will work with Ada County to ensure that the final boundary does not create any administrative issues.

Urban Renewal Law provides for different eligibility factors and required findings and tests for improved land and "open land" (or "open area"). *SB Friedman* evaluated Study Area eligibility using the improved land eligibility factors and required findings and tests. Based our review of the Urban Renewal Law, it is our understanding that open land under the Urban Renewal Law means unimproved, agricultural or forest lands, and/or predominately open land. Based on our fieldwork, all parcels within the Study Area have seen some improvement. Thus, we have evaluated all parcels in the Study Area using the eligibility criteria for improved land. However, should CCDC determine any parcels could potentially be considered open land or open area and be acquired or developed by the Agency, those parcels should be further reviewed and analyzed to determine eligibility under the open land eligibility criteria.

This Study documents the conditions in the Study Area which support the finding that the Study Area is "deteriorating." *SB Friedman* finds the following six criteria for a deteriorating area to be meaningfully present and reasonably distributed within the Study Area:

- 1. The presence of a substantial number of deteriorated or deteriorating structures;
- 2. Predominance of defective or inadequate street layout;
- 3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- 4. Insanitary or unsafe conditions;
- 5. Deterioration of site or other improvements; and
- 6. Existence of conditions which endanger life or property by fire and other causes.

This finding must be made before the City Council of the City of Boise ("City Council") as part of the approval process for a URA.

Upon adoption of a resolution finding that the Study Area is deteriorating, CCDC will create an Urban Renewal Plan for the proposed district. Following CCDC plan approval, the Boise City Planning and Zoning

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Commission ("Commission") would review the Plan and make a determination on its conformance with the City's Comprehensive Plan. If the Plan is in conformance, the City Council would then hold a public hearing prior to which all of the affected taxing entities have the opportunity to provide comment on the proposed Plan. City Council then must elect to either approve the Plan and create a corresponding Revenue Allocation Area, by ordinance, or elect not to approve the Shoreline URA.

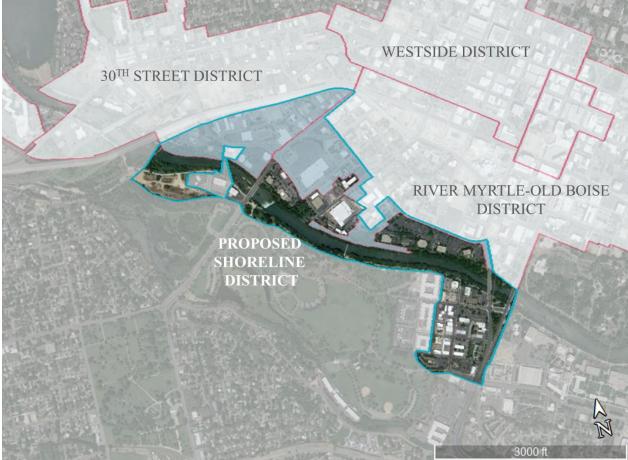


Figure 1: Proposed and Existing Urban Renewal Areas

Source: CCDC, Google Earth, SB Friedman

2. Study Area Background

Boise's downtown has been the subject of numerous planning initiatives over the last two decades. In 2011, Boise adopted Blueprint Boise – a comprehensive plan to guide development across the city. At the time, the City officially defined the Downtown Planning Area ("DPA" or "Downtown") as a specific geographical area. The DPA is the smallest of all planning areas within the City. Features identified as strengths of the region include the access to parks and recreation, young population, and intensive mix of land uses.

Blueprint Boise established the following planning standards/policies to work toward within the DPA in order to help correct some of the larger planning challenges within the area:

- Raise the architectural quality of downtown buildings (DT-7);
- Establish urban design criteria which encourage buildings to be placed at the sidewalk creating a street wall, street-level space activation with people-oriented uses, and building entrances and openings oriented to public sidewalks rather than parking lots (DT-9);
- Establish incentives to encourage the redevelopment of surface parking lots and other underutilized properties (DT-11);
- Retain a high level of connectivity in Downtown by maintaining the traditional street grid and block pattern (DT-15);
- Where feasible, re-establish two-way streets to improve connectivity (DT-15); and
- Recognize that Downtown requires continuing attention to stay competitive relative to other lower-cost locations for business investment (DT-23).

Today, portions of the Downtown are meeting the goals laid out in Blueprint Boise. However, there are sections that require additional investment to improve quality of place and life for Boise residents. Urban Renewal Areas (URAs) have been implemented in four areas to date: the 30th Street District, Central District, River Myrtle-Old Boise District and Westside District. Each URA, at least in part, encompasses a portion of the DPA.

CCDC identified a preliminary Shoreline URA Study Area, which appeared to be underperforming relative to the Downtown. *SB Friedman* conducted eligibility research and analyses, and prepared this Preliminary Eligibility Study evaluating the potential eligibility of the Study Area. The preliminary Study Area provided by CCDC has since been modified as a result of our research and analysis. The Study Area boundary discussed hereafter is the refined Study Area boundary.

The Study Area is bounded by U.S. Highway 26 to the north and west, and Capitol Boulevard to the east. The southern district boundary extends south along the Boise River Greenbelt and into portions of adjacent office parcels and the Lusk District. Within the Study Area, we have identified three key sub areas:

- Sub Area 1 This is currently a semi-industrial area within the DPA known as the Lusk District. The Lusk Street Master Plan envisions this area evolving into a mixed-use, urban neighborhood. The district is located between Ann Morrison Park and the Boise State University main campus. Land use within the district is primarily light industrial and multi-family housing.
- 2. Sub Area 2 An area primarily composed of office buildings south of River Street and west of Americana Boulevard. The office parks are made up of three- to four-story multi-tenant office buildings with surface parking.

3. Sub Area 3 – North of River Street, the predominant land use is institutional services. St. Luke's and other non-profits are located here.



Figure 2: CCDC Study Area, Sub Areas

Source: City of Boise Department of Planning and Development, SB Friedman

Blueprint Boise, the River Street-Myrtle Street Master Plan and Downtown Boise Mobility Study all speak to the goal of enhancing pedestrian, bicycle and vehicular connectivity within the Study Area. To that end, this Study evaluates the potential eligibility of the Study Area as a URA. In turn, if adopted, this potential Shoreline URA could provide a source of funds to enhance the Study Area in line with the goals outlined in plans.

The following section evaluates existing conditions within the Study Area to determine its eligibility to be designated an Urban Renewal Area according to Idaho Urban Renewal Law.

3. Existing Conditions

Existing Land Use within the Study Area

The Study Area is a 190-acre area located within the DPA. The City has adopted multiple plans for the surrounding area including the River Street-Old Boise Urban Renewal District Plan, Old Boise-Eastside Master Plan, and River Street-Myrtle Street Master Plan. All of these plans express an interest in increasing the number of residential and mixed-use properties within the Study Area.

SB Friedman conducted fieldwork to document current land uses within the Study Area. Major land uses are as follows:

- 1. Office 35 parcels almost exclusively located along Shoreline Drive and River Street.
- 2. Retail/Service 20 parcels located throughout the district. The highest concentration of retail is within the Lusk District.
- 3. Industrial 4 parcels within the Lusk District used for auto-body shops.
- **4. Residential** 11 parcels located primarily in the Lusk District. Nearly all housing within the Study Area is publicly-owned or affordable rental housing.
- 5. Mixed Use 2 parcels located on the Study Area periphery. Both parcels include ground floor retail/service with second floor residential.
- 6. Park Space 10 parcels (or parcel segments) along the Boise River Greenbelt or park space. It is noteworthy that there is an additional, unparcelized area within the Study Area which would have been park/open space were the land parceled: particularly on the south east end of the Study Area near Capitol Boulevard.
- 7. Public/Private Institutional 16 parcels located primarily along the U.S. Highway 26 overpass and within the Lusk District. Public/Institutional land uses include BSU properties, USPS, the Boise Fire Department training tower and social service provider offices

There are no agricultural operations or forest lands within the Study Area which would require additional consent of the property owner per Idaho Code Section 50-2018(8), 2018(9) and 50-2903(8)(f). Land use is mapped in Figure 3 below:

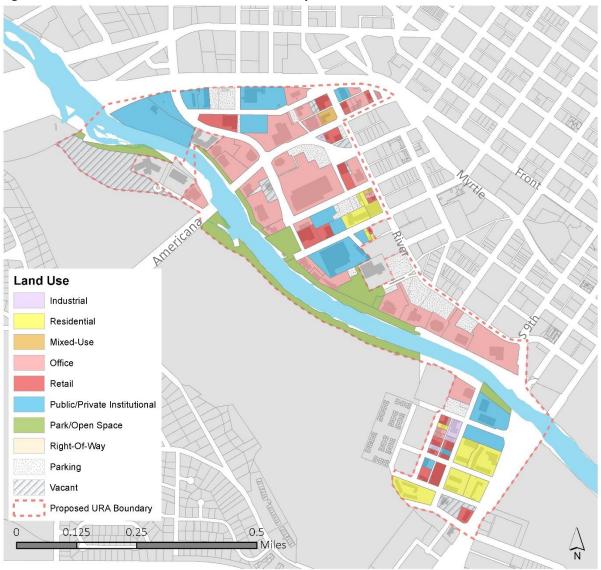


Figure 3: Field Observed Land Use within the Study Area

Source: ESRI, City of Boise Department of Planning and Development, SB Friedman

Required Findings & Definition of Deteriorated/Deteriorating

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

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

1. Deteriorated Area

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

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

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

2. Deteriorating Area

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

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

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

Evidence of Deteriorating Area

Based on our preliminary research, deterioration of site improvements appears very close to meeting the "predominance" standard required for a Deteriorated Area. However, given the marginal nature of this preliminary finding, we have elected to pursue the Deteriorating Area eligibility finding in this Study. Of the 9 eligibility factors for a Deteriorating Area, we have identified six (6) to be meaningfully present and reasonably distributed within the Study Area. Each of the criteria and evidence are detailed below.

1. A Substantial Number of Deteriorated or Deteriorating Structures

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

- Broken or missing brick
- Chimney damage
- Fascia damage
- Holes in siding
- Damaged or missing shingles
- Cracked or damaged windows

Of the 24 of the 100 buildings within the Study Area (24%) exhibited signs of deterioration. Figure 4 below highlights the parcels on which deteriorating buildings are located.

Based on field evidence, we find deteriorating structures to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, the Study Area meets the urban renewal area eligibility standard of "A Substantial Number of Deteriorated or Deteriorating Structures."

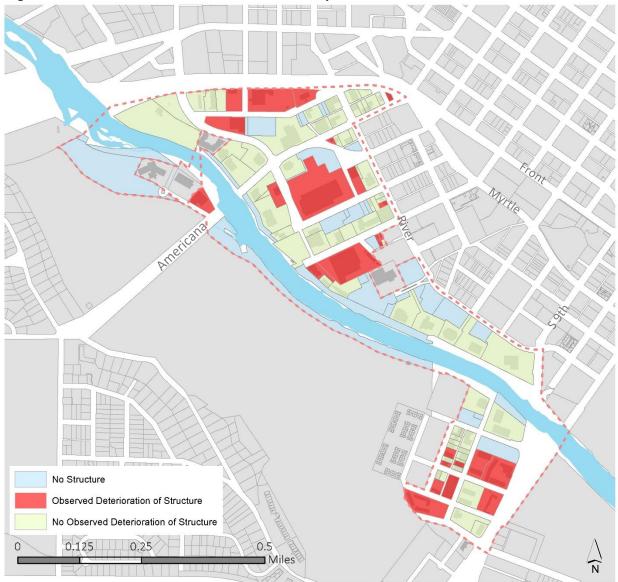


Figure 4: Deterioration of Structures within the Study Area

Source: ESRI, City of Boise Department of Planning and Development, SB Friedman

2. Predominance of Defective or Inadequate Street Layout

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

There are just over five and a half miles of linear roadway within the Study Area which are divided amongst 38 street segments. Nearly all of the streets are between 45 and 65 feet in width, with three to five lanes for vehicular traffic in addition to on-street parking in certain areas. Nine of the street segments are dedicated one-way roads: most of which are along Americana Boulevard and Capital Boulevard. Research in the field revealed that there is significant variation amongst street typologies within the Study Area. A few of the primary typologies are described in Figures 5-7 below:



Figure 5: Two-Way, Multi-Modal Streets

Some of the streets in the Study Area are twoway streets which include painted bike lanes.



Figure 6: One-Way, Auto-Intensive Streets

The majority of arterial streets are one-way streets that are between three and five lanes wide. Americana Boulevard & Capital Boulevard in particular are relatively wide and are a majority one-way within the Study Area.



Figure 7: Two-Way Streets

The majority of collector streets are wide, twoway streets. Both the Lusk District and the Office Park District have two-way streets without street painting.

Source: Google Maps, SB Friedman

The draft Boise River Street Master Plan is currently in development and preliminarily addresses a number of recommended improvements to the street network in the Study Area, including the following (page numbers to be referenced in the Master Plan are noted below):

- Improve street connectivity/retain street network where possible (p. 10);
- Add detached sidewalks in areas where there are gaps in the existing pedestrian network (p. 7); and
- Convert wide street segments to fewer lanes with dedicated bike lanes where appropriate (p. 10).

Multiple plans – the Lusk Street Area Master Plan and Blueprint Boise - also express a desire to retain or reintroduce the standard downtown block size of 260 by 300 feet where possible within the Study Area.

Finally, in 2016, Boise implemented the Boise Transportation Action Plan which emphasized the impact street networks can have on the community. The report provided a few key metrics which will be incorporated into our evaluation:

- Average street width within the Downtown is 50 feet and streets can be characterized as having many intersections and high connectivity (p. 26);
- 24% of the pedestrians within the Downtown commute by walking, 6% by bike (p. 26);
- The Downtown vision for improvement recommended increased streetscapes, additional streettrees, narrowed lanes and smooth integration of bike, bus and pedestrian transit mode (p. 40); and
- The plan expressed a desire to revert to slower (25mph), two-way streets where possible and incorporate easy-access crosswalks (p. 40).

Evaluation of the street layout included analysis of street width and block size.

Street Width

In order to determine appropriateness of the street layout within the Study Area, *SB Friedman* analyzed speed limit and layout within the Study Area using the Road Risk Method. This technique was developed by the Transportation Association of Canada and is frequently used in Canada and the United States. The Road Risk Method establishes speed limits based on the safety risks associated with the physical design of the road and expected traffic conditions.

We analyzed the width dimensions and speed limits provided in the Road Risk Method against those of key streets in the Study Area. We found that all of the speed limits within the Study Area are 10 to 20 miles per hour below what the street structure is designed to allow (results by street in Figure 8). Thus, roads are built substantially wider than necessary for the target speed limits.

Street Name	Number of Lanes	One- Way	Arterial/ Collector	Speed Limit	Federal Recommended Speed Limit Based on Layout	Defective
S Capitol Boulevard	8	\checkmark	Arterial	30	50	\checkmark
Americana Boulevard	5		Arterial	30	45	\checkmark
River Street	5	\checkmark	Collector	30	45	\checkmark
Shoreline Drive	5		Arterial	20-30	45	\checkmark
S 15th	3		Arterial	30	45	\checkmark
S 9th	4	\checkmark	Arterial	35	50	\checkmark
S 13th	3		Collector	20	35	\checkmark
Lusk Street	2		Local	20	30	\checkmark
Royal Boulevard	2		Collector	20	35	\checkmark
S 14th	2		Local	20	30	\checkmark

Figure 8: Street Segment Characteristics

Source: SB Friedman, Transportation Association of Canada

Block Size

Boise planning documents - the Lusk Street Area Master Plan and Blueprint Boise - have expressed a desire to maintain or restore the traditional 260 by 300-foot grid pattern in order to maintain the Downtown street network where feasible. Much of the Downtown has maintained the original street network.

Only 10% of the parcelized area within the Study Area is within a block less than the desired 78,000 SF (260 feet x 300 feet) described in planning documents. Thus 90% of the block surface area is larger than desired. As a result of the large and inconsistent block size, north/south collector roads have broken links on 10th, 12th, 14th and 17th streets. The break in connectivity between streets results in a breakdown of the urban form unlike elsewhere in the DPA.

Based on evidence of defective street width and the four broken links in the street network within the Study Area, we find inadequate street layout to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, Study Area meets the urban renewal area eligibility standard of "Predominance of Defective or Inadequate Street Layout."



Figure 9: Blocks within the Study Area Larger than the Planning Standard of 78,000 SF

Source: City of Boise Department of Planning and Development, SB Friedman

3. Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness

Faulty Lot Layout in relation to size, adequacy, accessibility or usefulness covers a wide array of potential challenges within the Study Area. We analyzed this issue in two ways:

- Using GIS to identify lots within the Study Area over the desired size for standard Downtown blocks of 260 by 300 feet (78,000 SF); and
- Documenting adequacy, accessibility and usefulness of parcels during the fieldwork process and identifying blocks which are not accessible by different transit modes: automobile, bicycle and pedestrian.

SB Friedman found "Faulty Lot Layout" based on the findings of inadequate block size and parcel access limitations within the Study Area.

Lot Size

There are 12 lots within the Study Area over the desired block size of 78,000 SF. Those parcels comprise 37% of the total parceled land area within the Study Area. Parcels which are over the desired block size indicate faulty lot layout in relation to size.

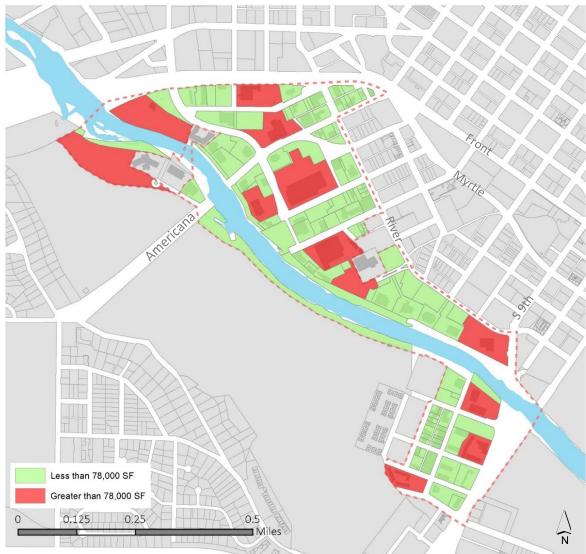


Figure 10: Large Lots within the Study Area

Source: City of Boise Department of Planning and Development, SB Friedman

Accessibility

Right-of-Way Access

There are 12 parcels within the Study Area which have limited or no right-of-way access. Given the dominate nature of automobile transit within the Study Area, the presence of any parcel with limited access may present a challenge to development. An area of particular concern within the district is South 17th Street, which dead ends without connectivity, into the U.S. Hwy 26 off-ramp. North of the off-ramp, there are additional parcels that are only accessible through an alley off West Cooper Street.

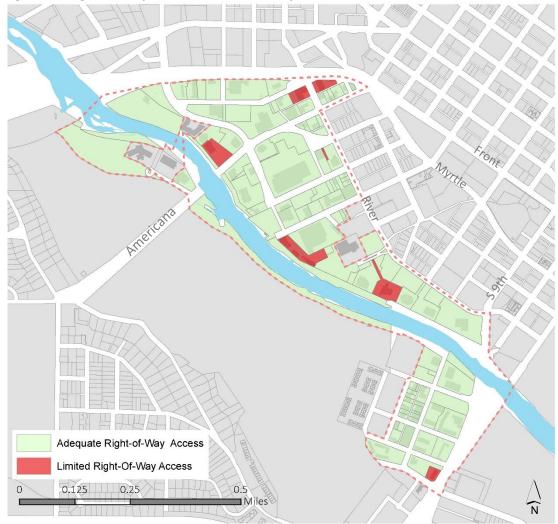


Figure 11: Right-of-Way Access within the Study Area

Source: City of Boise Department of Planning and Development, SB Friedman

Bicycle and Pedestrian Connectivity

Bicycle and pedestrian connectivity were analyzed together as they are frequently designed simultaneously and people moving by non-motorized means often face similar connectivity challenges.

The National Association of City Transportation Officials (NACTO) recently published an Urban Street Design Guide, which includes the following recommendations for combining auto, pedestrian and bicycle transit:

- Sidewalks should have a minimum through zone of six feet, eight feet when directly adjacent to moving traffic;
- The use of shoulders as a substitute for sidewalks is never justified in urban areas, sidewalks should be delineated;
- Sidewalks should be without major gaps or deformities that would make them non-traversable for wheel-chairs and all other mobility devices; and
- Pedestrian, auto and bicycle traffic should be adequately separated from one another.

During the course of fieldwork, *SB Friedman* documented the existence and condition of sidewalks and bike lanes. Of the 128 parcels surveyed, 28 of the parcels had missing or incomplete sidewalk networks. As mentioned in the NACTO study, complete sidewalk networks are critical for mobility device accessibility. An additional 9 parcels had complete sidewalks, but were marked as having sidewalks that compromise pedestrian safety. Sidewalks were considered unsafe when they were immediately adjacent to parking spaces in which a parked car could also occupy sidewalk space. The Lusk District is of particular concern because of the increasing number of residents who were observed using the sidewalk network. Sidewalks across the Study Area were also almost unanimously narrower than the NACTO standard recommends. Most sidewalks are immediately adjacent to the street – although some have grass or street parking buffers – and are between four and six feet in width rather than the suggested eight feet.

The bike lane network is less comprehensive than the pedestrian network. Bike lanes are included on most of the arterial streets within the Study Area, excluding only portions of River Street and South 9th Street. That said, one observation from our fieldwork is that the majority of bicyclists within the area bike on sidewalks rather than the dedicated street lanes. We understand that this behavior is legal in Boise. However, it does suggest bicyclists may be reluctant to use on-street infrastructure rather than the sidewalk network.

We find that despite the existence of some sidewalks and bike lanes – the Study Area meets the faulty lot accessibility or usefulness eligibility standard. For the Study Area to continue to evolve to achieve the goals of prior plans and standards defined by NACTO, it will be important to continue to improve upon the existing pedestrian and bicyclist networks to ensure accessibility and safety throughout the Study Area.

Based on the prevalence of large lots exceeding desired block size and limited accessibility via multiple transit modes, *SB Friedman* finds the Study Area meets the urban renewal area eligibility standard of "Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness."

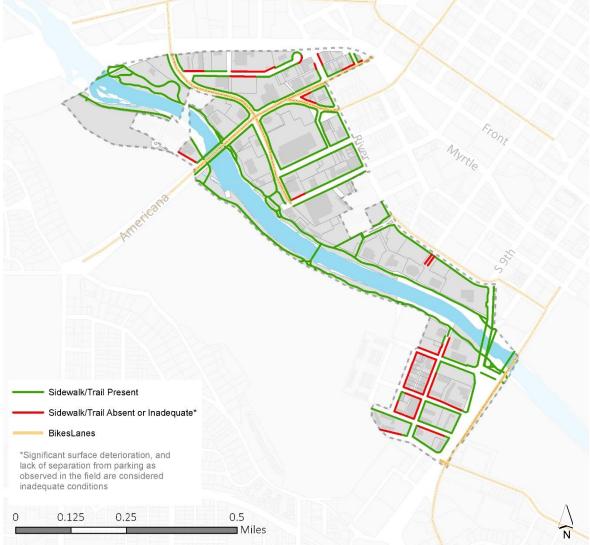


Figure 12: Bicycle & Pedestrian Connectivity within the Study Area

Source: City of Boise Planning and Development, SB Friedman

4. Insanitary or Unsafe Conditions

Unsafe conditions were assessed based on police data provided by the City.

Reported crime within the Study Area has been increasing over the last five years. Between 2012 and 2016, the annual number of crimes reported within the Study Area increased from 128 to 252. Specific crime typologies that have increased dramatically are theft, assault and narcotics violations.

Narcotics crime incidents occur at a higher rate near Sub Area 3 of the Study Area than most other regions of Boise. While the Study Area does not inherently feel unsafe, the increase in crime over the last five years and apparent density of incidents compared to elsewhere is undeniable and significant. As a result, *SB Friedman* finds the "unsafe conditions" criterion for eligibility to be met.

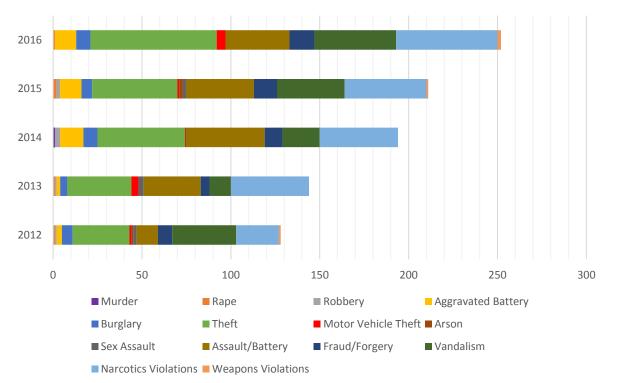


Figure 13: Study Area Crime Reporting 2012-2016

Source: City of Boise Police Department, SB Friedman

5. Deterioration of Site or Other Improvements

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

- Cracked pavement or sidewalks
- Fencing deterioration (rot, missing panels, etc.)
- Vacant lots which require extensive site improvements (e.g., unpaved parking lots)
- Lack of physical infrastructure (curbs, sidewalks, paving, etc.)

Of the 128 parcels evaluated within the district, 65 (51%) exhibited site deterioration.

Figure 14 shows the distribution of parcels identified as exhibiting site deterioration. Based on field evidence, we find parcel deterioration to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, the Study Area meets the urban renewal area eligibility standard of "Deterioration of Site or Other Improvements."

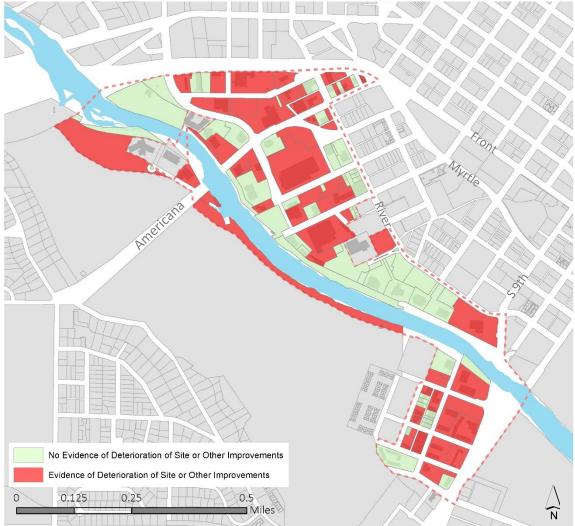


Figure 14: Deterioration of Site or Other Improvements within the Study Area

Source: City of Boise Department of Planning and Development, SB Friedman

6. Existence of Conditions which Endanger Life or Property by Fire and Other Causes

Conditions which endanger life or property by fire and other causes are the final criterion of eligibility found within the Study Area. *SB Friedman* evaluated the criterion by calculating both the land area and number of buildings within the Study Area that are within a high risk flood zone.

At the time of this study, FEMA is in the process of reevaluating the National Flood Hazard Layer (NFHL) designations for portions of the Study Area. As a result, the following analysis will consider two scenarios: one which measures the existing flood risk and one which measures the potential new flood risk assuming the current draft revised FEMA NHL changes are adopted.

For both scenarios, areas designated "AE" – or within the 100-year floodplain – were used to identify properties at risk of flooding. However, the Boise River, also within our Study Area, was excluded from all calculations to ensure we only evaluated flood risk to property. The results of our GIS analysis were as follows:

- Based on Existing FEMA NFHL
 - 11% of land is within the floodway, one building within the floodway
 - o 32 buildings or 32% of building footprints are at least partially within the floodplain
 - 16 buildings with 100% of their footprint within the floodplain
 - 29 buildings with 25% or more of their footprint within the floodplain
 - 30 buildings with 20% or more of their footprint within the floodplain
- Based on Proposed FEMA NFHL
 - 11% of land would be within the floodway, zero buildings within the floodway
 - o 51 buildings or 51% of building footprints would be at least partially within the floodplain
 - 22 buildings with 100% of their footprint within the floodplain
 - 35 buildings with 50% or more of their footprint within the floodplain
 - 38 buildings with 25% or more of their footprint within the floodplain
 - 39 buildings with 20% or more of their footprint within the floodplain

Both scenarios show significant percentages of land and buildings within the 100-year floodplain. In addition, if adopted, the proposed FEMA maps would result in additional land in the flood zone. The high percentage of land within the 100-year floodplain, and more so high number of buildings within the 100-year floodplain, demonstrate the existence of conditions which endanger property. Furthermore, the properties affected by the flood zone designations are meaningfully present and reasonably distributed throughout the Study Area.

As a result, *SB Friedman* finds conditions which endanger property to be meaningfully present and reasonably distributed throughout the Study Area. Therefore, the Study Area meets the urban renewal area eligibility standard of "Existence of conditions which endanger life or property by fire and other causes."

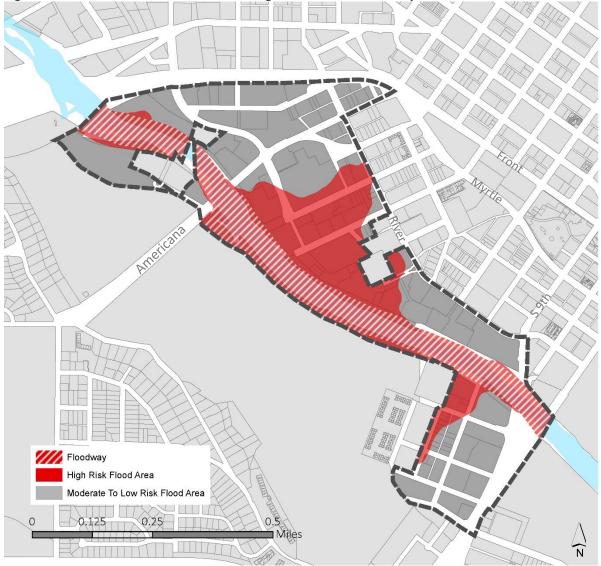


Figure 15: Current FEMA Flood Hazard Designation within the Study Area

Source: Ada County, City of Boise Department of Planning and Development, FEMA, SB Friedman

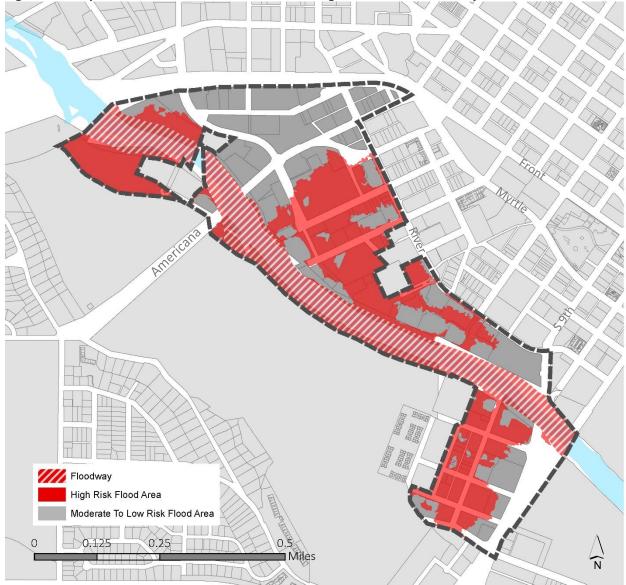


Figure 16: Proposed Revised FEMA Flood Hazard Designation within the Study Area

Source: Ada County, City of Boise Department of Planning and Development, FEMA, SB Friedman

OVERALL CRITERIA CONCLUSIONS

As described above, 6 of the 9 potential criteria for finding a "deteriorating area" were found present within the Study Area:

- 1. The presence of a substantial number of deteriorated or deteriorating structures;
- 2. Predominance of defective or inadequate street layout;
- 3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- 4. Insanitary or unsafe conditions;
- 5. Deterioration of site or other improvements; and
- 6. Existence of conditions which endanger life or property by fire and other causes.

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

Economic Underutilization: Other Evidence of a Deteriorating Area

Urban Renewal Law requires that a two-part test be passed in order to establish a URA. The first part, requires the finding of at least one eligibility factor – of the 10 possible – be present within the proposed area. As noted above, *SB Friedman* requires for a factor to be found present, it must be meaningfully present and reasonably distributed throughout the Study Area. The second requirement for determining eligibility is demonstrating findings of deterioration also "substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public."

SB Friedman evaluated the economic and social liability impacts of and within the Study Area by comparing the Study Area to the rest of the Downtown Planning Area.

ECONOMIC LIABILITY

In order to assess whether the Study Area represents an economic liability, we analyzed two metrics: growth in property taxable value and permit activity within the last five years. Both metrics were evaluated within the Study Area and compared against growth in the rest of the Downtown Planning Area over the same period.

 Between 2012 and 2016, taxable value increased an aggregate 10% across all properties within the Study Area. Within the DPA, excluding the Study Area, values increased 52% over the last five years. Based on this data, we find the growth in taxable value within the Study Area has significantly lagged behind the rest of the DPA and thus, the Study Area represents an economic liability.

Figure 17: Taxable Value and Percentage Change 2012-2016

	0 0		
	2012	2016	% 2012-2016
DPA (excl. Study Area)	\$853 M	\$1298 M	52.2%
Study Area	\$90 M	\$99 M	10.0%

Source: City of Boise Department of Planning and Development, SB Friedman

(2) *SB Friedman* evaluated historic building permit data in the Study Area relative to the rest of the DPA. The Study Area has seen limited new construction permit activity, an indicator of investment, compared to that of the Downtown Planning Area over the last five years. Only two new building permits were issued. Development is minimal compared to the rest of Downtown, which has had over \$250,000,000 in new development over the last five years.

Finally, based on CoStar data, there are no new buildings proposed within the Study Area.

After analyzing taxable value trends, permit activity relative to the rest of the DPA, and proposed projects, we conclude that the Study Area constitutes an economic liability.

SOCIAL LIABILITY

Our research indicates that key aspects of the built environment (block size and transportation network) are inconsistent with the goals and strategies the City of Boise has articulated for the Study Area across multiple planning documents in recent years. Thus, it is important to continue working toward the City's vision for the Study Area – where "buildings are placed at the sidewalk and create a street wall, street level space is activated with people-oriented uses, and building entrances and openings are oriented to public sidewalks rather than to parking lots" (Blueprint Boise, DT-9).

As of now, many of the desired characteristics of the Downtown are absent in key parts of the Study Area. The relatively large lots and streets create barriers within the District. Accessibility and connectivity conditions in the Study Area are also inconsistent with planning goals. Based on the stated goals for the Study Area and the facts that key parts of the Study Area are not currently meeting those goals, we conclude that the Study Area constitutes a social liability.

4. Conclusions

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

SB Friedman finds the following six criteria for a deteriorating area to be meaningfully present and reasonably distributed within the Study Area:

- 1. The presence of a substantial number of deteriorated or deteriorating structures;
- 2. Predominance of defective or inadequate street layout;
- 3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
- 4. Insanitary or unsafe conditions;
- 5. Deterioration of site or other improvements; and
- 6. Existence of conditions which endanger life or property by fire and other causes.

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

As a result, this preliminary Study concludes that the Study Area conforms with Idaho Urban Renewal Law, and meets the eligibility standards for designation as an Urban Renewal Area.

Appendix: Limitations of Engagement

Our Study 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 Study. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the period covered by our analysis will necessarily vary from those described in our Study, and the variations may be material.

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

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

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