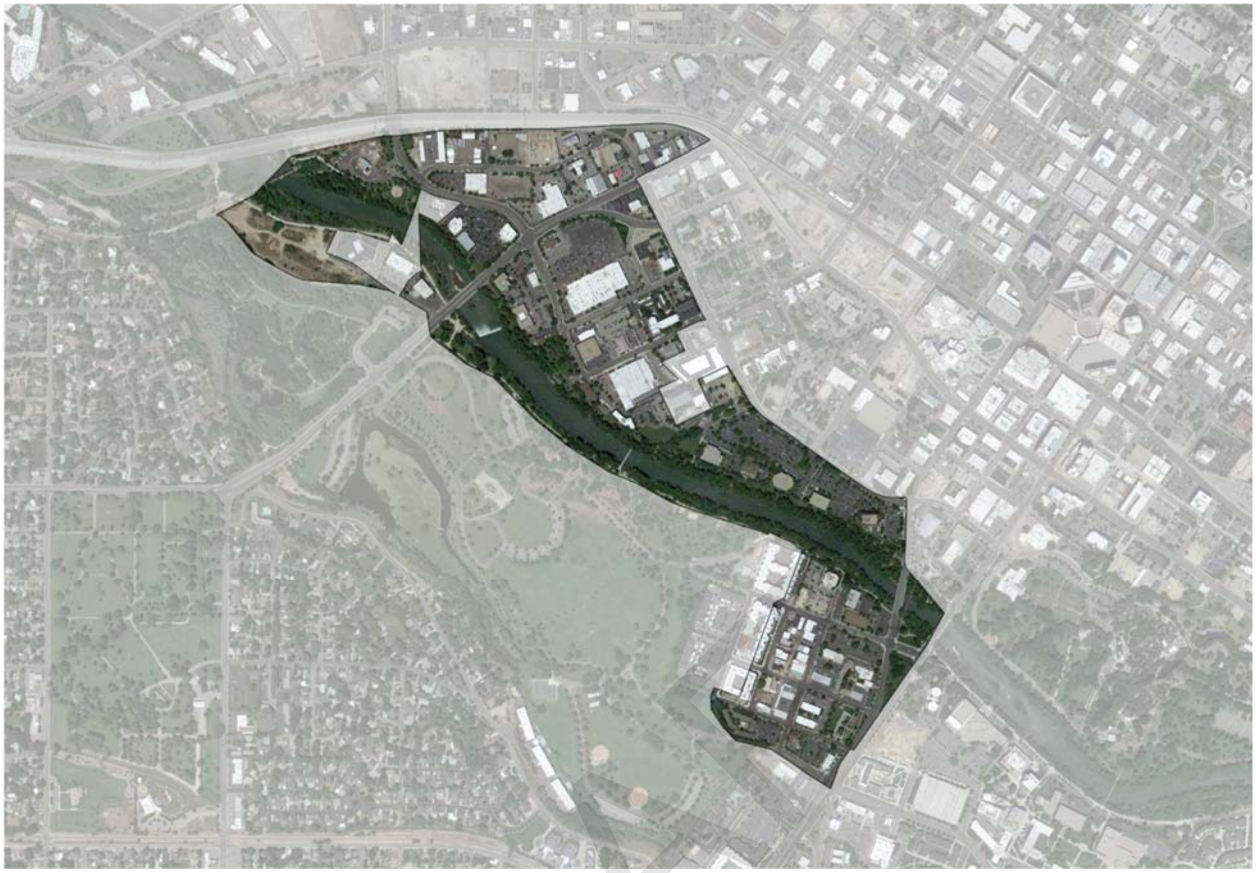

CAPITAL CITY DEVELOPMENT CORPORATION

Shoreline Urban Renewal District Feasibility Study

DRAFT REPORT | October 3, 2018

CAPITAL CITY DEVELOPMENT CORPORATION

SHORELINE URBAN RENEWAL DISTRICT FEASIBILITY STUDY

October 3, 2018

DRAFT

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CAPITAL CITY DEVELOPMENT CORPORATION

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1. Executive Summary

Urban Renewal Law Requirements

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

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

Economic feasibility is an analysis of a scenario of revenues that could be generated by the URD based upon a market assessment, and the future costs required for the implementation of an urban framework plan that can be supported by those revenues ("URD Project Costs"). SB Friedman evaluated projected revenues against URD Project Costs to ensure economic feasibility of the Plan. The planning process resulted in a longer menu of costs than those ultimately included as URD Project Costs. Costs excluded from the feasibility findings are referred to only as Project Costs. While feasibility findings refer to specific outlined URD Project Costs, currently unfunded Project Costs could be paid for if the District over-performs, if additional funding sources are leveraged, or if Agency prioritization of Project Costs change.

Findings of Feasibility

The incremental taxable values and resulting tax increment revenues over the 20-year term of the URD (assessment years 2019-2038) are summarized in **Appendix III**. Incremental property tax revenues are based on increases in taxable value for existing properties in the District and increases in taxable value resulting from development and/or redevelopment over the 20-year term. Adjustments were made to account for reductions in existing taxable value to accommodate redevelopment. The total incremental property tax revenues for the URD projected over the 20-year Plan period amount to approximately $54.6 million undiscounted.

Project Costs were provided to SB Friedman by CCDC, prioritized by five-year quarters (years 1 – 5, 6 – 10, 11 – 15, and 16 – 20). **Appendix V** shows a scenario which demonstrates the ability of the URD to fund approximately $33.8 million in present value URD Project Costs over the 20-year term. The scenario includes URD Project Costs paid out of incremental property tax cash flow in the first quarter, followed by three bond issuances – one in each of the remaining three quarters. URD Project Costs are limited to $33.8 million in present value due to the expected escalation of construction costs over time and the cost of financing each of the bonds (assumed 4% cost of funds). According to these projections, CCDC would be capable of assuming approximately $42.6 million in debt in the final three quarters (years 6-20), all of which could be paid off prior to the expiration of the District. The projected revenues and URD Project Costs result in a cumulative fund balance of approximately $4,000 in 2039, or approximately $2,000 in present value (discounted at 4% to 2019 dollars). Any surplus after termination of the URD would be submitted to Ada County for distribution to the overlapping taxing districts.

Other Considerations

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

2. Introduction

The City of Boise (the "City") identified approximately 190 acres in and adjacent to Downtown as eligible and a candidate for designation as an urban renewal district in October 2017 and an addendum in December 2017. Implementing an urban renewal district provides the opportunity for the City to utilize revenue allocation funds, also known as tax increment financing (TIF) revenues, as a means of funding geographically targeted public improvements. As permitted by Idaho law, TIF can improve the ability of a urban renewal district to assist in economic development projects, make right-of-way and infrastructure improvements, promote a diversity of housing types including affordable housing, implement mobility initiatives and place-making projects which benefit the neighborhood.

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

This Feasibility Study evaluates the existing status of the District and reviews a development scenario and the resulting impact on the revenue generation capability of the URD. In the process of satisfying the requirements set forth in the Act, CCDC coordinated with three consulting teams that developed key Feasibility Study inputs: SB Friedman led the financial analyses while CTA Architects Engineers and Quadrant Consulting coordinated on the design (Urban Framework Plan), physical planning and cost estimating (Infrastructure Plan).

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

1. **Market Assessment |** Real estate development projections over the 20-year term of the URD, based on market research and trend data
2. **Revenue Model |** Projections of URD incremental property tax revenues building on the Market Assessment and other key assumptions
3. **Urban Framework Plan |** A design plan which expands upon the Market Assessment, identifying necessary and desired public improvements
4. **Infrastructure Plan |** A document detailing existing infrastructure deficiencies and estimated costs
5. **Project Costs |** Projected costs associated with the desired improvements referenced in the Urban Framework Plan and Infrastructure Plan that could be incurred by the URA
6. **Feasibility Model |** A model prepared by SB Friedman which reconciles the Revenue Model and Project Costs, which then identifies specific 'URD Project Costs' which are projected to be economically feasible

Shoreline Urban Renewal District Boundary

The proposed URD is bounded by U.S. Highway 26 to the north and west, and Capitol Boulevard to the east. The boundary extends south along the Boise River Greenbelt and into portions of adjacent office parcels and the Lusk District.

There are 128 parcels in the District encompassing approximately 190 acres (inclusive public right-of-way). All major land uses are present within the District including office (35 parcels), retail (20), public/institutional (16), residential (11), park space (10) and parking/other (36). There are no parcels within the District that include agricultural operations or forest lands which would require consent of the property owner per Idaho Code 50-2018(8), 50-2018(9) and 50-2903(8).

Existing Valuation of the Urban Renewal District

The URD has a total of 128 parcels which had a cumulative taxable value of $108,022,900 in 2017. Classification of parcels by zoning code category is included in **Figure 1.**

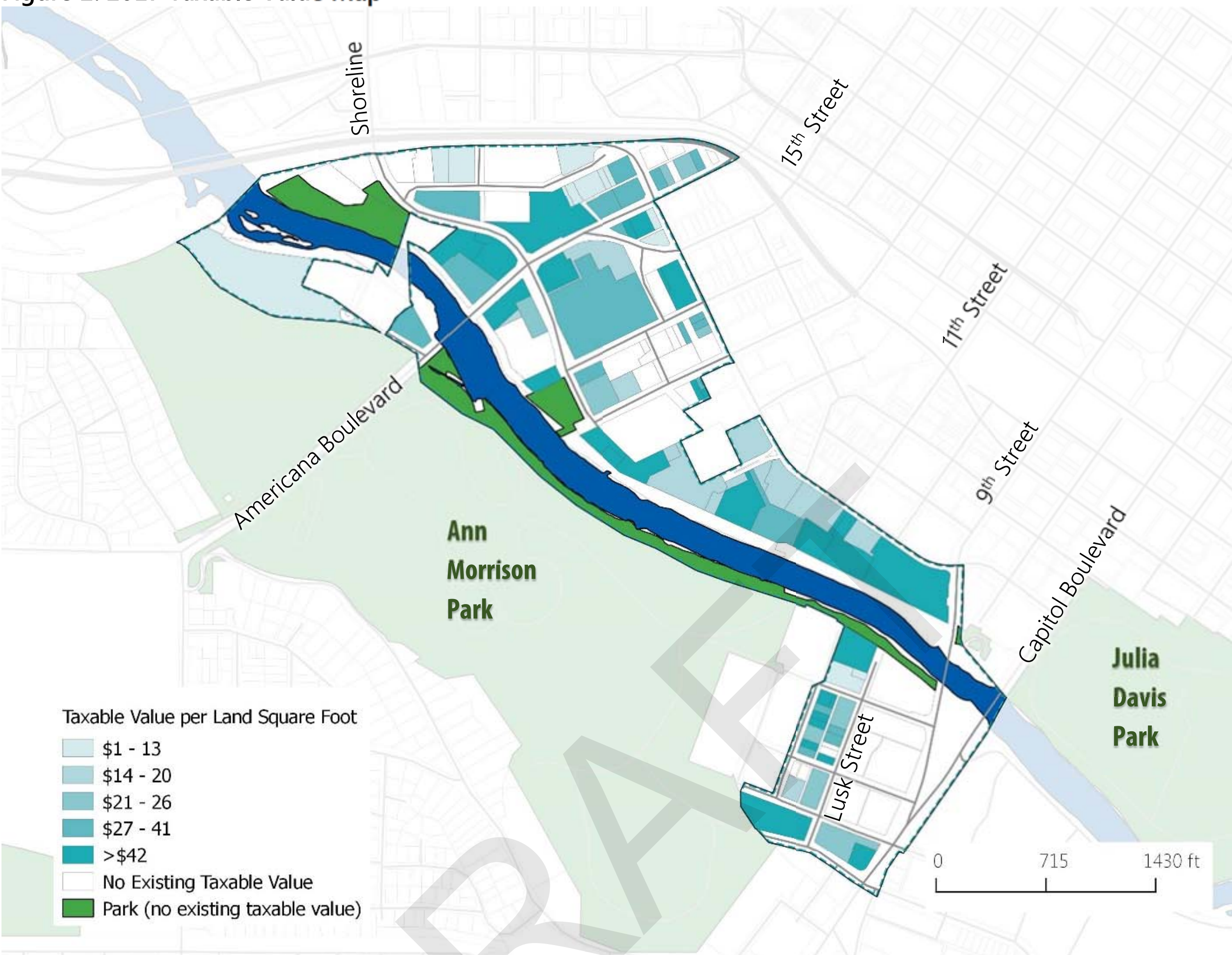
Figure 1. 2017 Taxable Value by Assessor Zoning Code Category

Zoning Category	Taxable Value (2017)
Public	$0
Commercial	$49,274,200
Limited Office	$1,502,700
Residential Office	$57,246,000

Source: Ada County Assessor, SB Friedman

Existing taxable value was also analyzed spatially to identify lower value nodes within the District. **Figure 2** on the following page displays taxable value per land square foot throughout the District. Properties with a higher existing taxable value per square foot are located along Americana Boulevard and River Street. The majority of parcels on either end of the District – south of Highway 26 and west of Capitol Boulevard – are publicly owned and have no existing taxable value.

Figure 2. 2017 Taxable Value Map



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

3. Development Program Projections

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

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

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

SB Friedman conducted a Market Assessment to inform projections of new development/redevelopment over the 20-year term. The Market Assessment was the result of review of the data sources and planning materials identified in **Figure 3** below.

Figure 3. Key Market Assessment Data Sources

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

Projections were predominately based upon COMPASS projected population and employment increases over the URD term. SB Friedman converted employment growth to real property square footage using market assumptions founded in historic analysis and development trends. Population growth was similarly converted to square footage based on the City population per household assumption and market trends. The resulting program included in the ‘new development’ revenue projections is 1,225 residential apartment units, 190,000 square feet of office space, and 68,000 square feet of retail space (the “Development Program”). The Development Program is comprised of a few Known Developments (anticipated projects that are more likely than not to occur) and demand-based development (the remainder of the demand projected in the Market Assessment).

Excluding the Known Developments, the Development Program is projected to phase in evenly over a 15-year period for each of the land uses. The Known Developments are assumed to occur in 2019.

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

- **Taxable Value |** SB Friedman generated taxable value assumptions on a per-square-foot or per-unit basis after evaluation of comparable new construction projects in and near the District. Estimated taxable values were inflated to the year of new construction delivery at 2.5% annually, from 2019.

- **Absorption of Taxable Value |** For Known Developments, SB Friedman assumed 40-70% of the projected taxable value will be absorbed in the year a project delivers. The absorption rate varies by land use and is based on an analysis of comparable properties recently delivered.

- **Taxable Value Growth Rate |** Existing property within the District is assumed to appreciate 2.5% annually.

- **Levy Rates |** The levy rate is assumed to be a constant 0.015 through the life of the District. Levy rates have declined by approximately 0.02 over the last six years and may vary from year to year. SB Friedman held the levy rate constant to be conservative. Applying the levy rate to the incremental taxable value results in incremental property tax revenue generation.

- **Annual Operations |** SB Friedman assumed 12% of incremental property tax revenue will be deducted from gross revenues to fund operations, per CCDC direction. Gross revenues less the projected annual operations costs result in the net incremental revenue available to fund Project Costs.

- **Discount Rate/Cost of Borrowing |** SB Friedman assumed a 4% discount rate should be used per CCDC for all discounting of revenue projections to calculate present value. Incremental value revenues are discounted to 2019 dollars for consistency. Likewise, all bond amortization schedules assume an interest rate on all bonds of 4%.

4. Revenue Generation

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

Figure 4. District Tax Generation Projection

			Sources of Revenue		Combined Revenue	
Assessment Year	CCDC Fiscal Year	Revenue from the Base Value of the Existing Real Estate	Revenue from 2.5% Growth per Year of the Existing Real Estate	Revenue from Development Program	Combined Growth & Increment Revenue (Gross)	Combined Growth & Increment Revenue (Net)
[1]	[2]/[3]		[4]	[5]/[6]		[7]
2018	2019	$1,620,344	$0	$0	$0	$0
2019	2020	$1,620,344	$40,509	$0	$40,509	$35,648
2020	2021	$1,620,344	$82,030	$218,282	$300,312	$264,274
2021	2022	$1,620,344	$124,589	$621,733	$746,322	$656,763
2022	2023	$1,620,344	$168,213	$835,361	$1,003,573	$883,145
2023	2024	$1,620,344	$212,926	$1,059,282	$1,272,208	$1,119,543
2024	2025	$1,620,344	$258,758	$1,293,876	$1,552,634	$1,366,318
2025	2026	$1,620,344	$305,736	$1,539,539	$1,845,274	$1,623,841
2026	2027	$1,620,344	$353,888	$1,796,675	$2,150,563	$1,892,496
2027	2028	$1,620,344	$403,243	$2,065,707	$2,468,950	$2,172,676
2028	2029	$1,620,344	$453,833	$2,347,067	$2,800,900	$2,464,792
2029	2030	$1,620,344	$505,688	$2,641,204	$3,146,892	$2,769,265
2030	2031	$1,620,344	$558,838	$2,948,581	$3,507,419	$3,086,529
2031	2032	$1,620,344	$613,318	$3,269,676	$3,882,994	$3,417,035
2032	2033	$1,620,344	$669,159	$3,604,983	$4,274,143	$3,761,245
2033	2034	$1,620,344	$726,397	$3,955,012	$4,681,409	$4,119,640
2034	2035	$1,620,344	$785,066	$4,320,289	$5,105,354	$4,492,712
2035	2036	$1,620,344	$845,201	$4,701,358	$5,546,559	$4,880,972
2036	2037	$1,620,344	$906,839	$4,818,892	$5,725,731	$5,038,644
2037	2038	$1,620,344	$970,019	$4,939,364	$5,909,383	$5,200,257
2038	2039	$1,620,344	$1,034,778	$5,062,848	$6,097,626	$5,365,911
			Total Undiscounted		$62,059,000	$54,612,000
			Present Value (2019$)		$37,786,378	$33,252,012

[1] Assumes the URD is approved in 2018, with the first increment realized in 2019.

[2] Taxes are collected one year in arrears, taxes in calendar year 2020 are modeled to be collected in calendar year 2021.

[3] The URD will receive collections from the 20th and last year of the URD in calendar year 2039.

[4] Assumes the 2018 composite rate is constant through the life of the URD.

[5] Revenue from the Development Program includes all inflationary increment on previous year additions.

[6] The Development Program is assumed to occur on sites susceptible to change.

[7] Gross URD revenue less CCDC Annual Program Operations.

In total, the District is anticipated to generate approximately $54.6 million in incremental property tax revenue over the life of the URD, undiscounted. Discounted at 4%, these revenues are anticipated to be approximately $33.3 million in 2019 dollars. In the development scenario detailed above, the District generates more incremental revenue each quarter: rising from almost $3 million in the first quarter (undiscounted) to over $25 million in the last quarter. Revenues by quarter are summarized in **Figure 5**.

Figure 5. District Revenues by Quarter

	Undiscounted	Discounted
First Quarter	$2,959,000	$2,639,000
Second Quarter	$9,520,000	$7,164,000
Third Quarter	$17,154,000	$10,648,000
Fourth Quarter	$24,978,000	$12,801,000

Source: SB Friedman

5. URD Project Costs

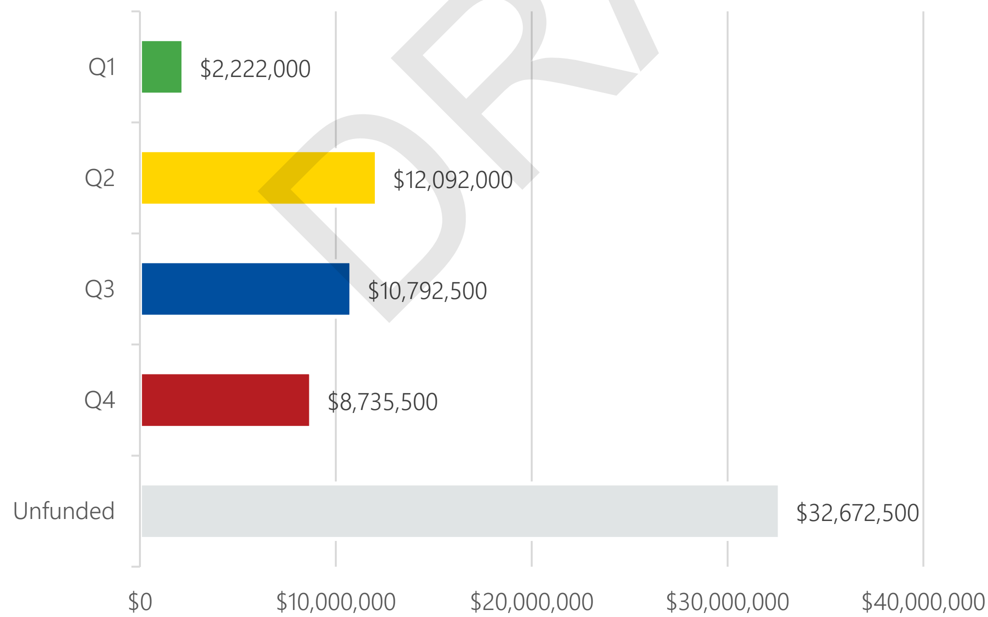
Idaho Code 50-2905 requires a detailed list of estimated project costs the URA is likely to incur in the revenue allocation area. Idaho Code 50-2905 also requires improvements be provided with specificity, including the kind, number and location of all proposed public works or improvements in addition to the estimated costs of each. CCDC worked closely with Quadrant Consulting and CTA Architects Engineers to develop an Urban Framework Plan and Infrastructure Plan for the District, which guided Project Cost estimates.

CTA led the urban planning and design component of the Urban Framework Plan (UFP). CTA also coordinated public outreach efforts to ensure the UFP resulted in a representative plan supported by the community. CTA then created a list of associated public improvements required for UFP implementation. The UFP was then converted to a list of Project Costs, which required two primary inputs:

1. Estimated costs for public improvements related to the UFP, provided by CTA Architects; and
2. Estimated costs for key infrastructure improvements required over the URD term, provided by Quadrant Consulting after an Infrastructure Assessment was conducted.

All cost estimates are provided in 2019 dollars, for consistency with the Revenue Model. The UFP and required infrastructure improvements combined result in $66.5 million in desired Project Costs to be funded by the URA. As projected revenues were far less than total Project Costs, CCDC prioritized costs by quarter to roughly align with SB Friedman revenue estimates by quarter (URD Project Costs).

Figure 6. Project Costs by Quarter



Source: CTA, Quadrant Consultants, SB Friedman

In order to confirm feasibility of URD Project Costs, SB Friedman used the revenue projections described in Section 4 in addition to bond assumptions stated in Section 6. The two key inputs are used to construct the Feasibility Model which roughly balances projected incremental property tax revenues and URD Project Costs;

projected cash payments for some URD Project Costs and debt service payments for others. The Feasibility Model assumes payments out of the incremental revenue cash flow annually for the first quarter, followed by three bonds (one issued per quarter in each of the final three quarters).

Specific URD Project Costs included in the total for each quarter are in **Appendix IV**. SB Friedman evaluated feasibility of the smaller URD Project Cost list, however the Agency could feasibly fund alternative unfunded Project Costs if adhering to the same structure and reducing currently identified URD Project Costs.

6. Bond Assumptions

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

- **Interest Rate |** The interest rate on all three bond issues was assumed to be 4%. The rate is reflective of recent CCDC experience with bonding in mature districts and in consult with CCDC's Municipal Advisor.

- **Issuance Cost |** Costs of issuance such as legal fees, municipal advisor fees and other costs are assumed to equal 1% of the principal amount.

- **Interest Earnings |** Cumulative cash flow not required for debt service or URD Project Costs is assumed to earn 1% interest annually. Interest earnings account for over $400,000 in additional revenue in the scenario below, undiscounted, which allows for additional URD Project Cost capacity.

- **Annual Cost Escalation |** URD Project Costs are anticipated to escalate at 3% annually. All URD Project Costs were inflated to the first year of each quarter, or the assumed bond issuance year.

- **Debt Service Structure |** SB Friedman assumed level principal and interest payments for each of the bonds. Bond terms for each of the three bond issuances are the full remaining period of the URD (15, 10, and 5 years respectively).

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

Figure 7. Projected Bond Issuances

Assumed Bonds	Assumed Year	Amount	Issuance Costs	Total Issuance
Proposed - 2nd Quarter	2024	$14,017,942	$140,179	$14,158,122
Proposed - 3rd Quarter	2029	$14,504,218	$145,042	$14,649,260
Proposed - 4th Quarter	2034	$13,609,624	$136,096	$13,745,721

Source: SB Friedman

7. Economic Feasibility

In the scenario described, the District will generate sufficient revenue to retire the three bonds totaling approximately $31.6 million in present value URD Project Costs. Additionally the scenario projects the District can fund approximately $2.2 million (in present value) of Project Costs out of first quarter cash flow, thus no bond issuance would be necessary until year 2024. **Appendix Figure 4.A** describes the seven URD Project Costs projected to occur in the first quarter. The scenario results in a cumulative fund balance which would revert to local taxing bodies if realized at the expiration of the District in 2039. The scenario detailed in this Feasibility Study has the following key assumptions:

- Projected new residential, retail and office development will occur over a 15-year period
- Bonds are issued in each of quarters two - four, after a mature cash flow is realized from incremental revenue in the first quarter
- Bond interest rates will be 4%, and will be saleable in varying term durations

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

SB Friedman concludes that this Feasibility Study confirms there is a plausible scenario, built upon specific market assumptions and trends, which allows for approximately $33.8 million in public improvement URD Project Costs to be funded over the life of the District. This Feasibility Study is designed to serve as an attachment to the Plan, satisfying the requirement in Idaho Code 50-2905 that the Plan shall include an economic feasibility study with specificity.

8. Alternative Sources of Funds

Funds necessary to pay for redevelopment Project Costs and/or municipal obligations, which may be issued or incurred to pay for such costs, are to be derived principally from 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, the Agency may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The Agency may incur Project Costs that are paid from the funds of the Agency other than incremental taxes, and the Agency then may be reimbursed for such costs from incremental taxes.

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

Other sources of funds, which may be used to pay for development costs and associated obligations issued or incurred, include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other sources of funds and revenues as the Agency from time to time may deem appropriate.

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 URD Project Costs.

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

Appendix II: Development Program by Quarter

Figure 2.A. Development Program by Quarter

	Residential (units)	Office (SF)	Retail (SF)
First Quarter	461	50,892	27,599
Second Quarter	347	63,615	18,364
Third Quarter	347	63,615	18,364
Fourth Quarter	69	12,723	3,673
Total:	1,224	190,845	68,000

Appendix III: Revenue Model

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

Timing Assumptions:	Retail	Office	Residential
Development Start Year [3]	2019	2019	2019
Years to Deliver Known Developments	1		1
Other Demand Years to Deliver [4]	15	15	15
Taxable Value Assumptions:			
Taxable Value	$315	$195	$130,280
Unit	SF	SF	Unit

				Sources of New Increment Value					Sources of Revenue		Combined Revenue	
				Value Growth of Existing Real Estate	Value Growth from Projected New Real Estate in the Shoreline URA							
	URA Year	Assessment Year	CCDC Fiscal Year	Cumulative TV Increment on Existing Real Estate	TV Increment from Known Developments	TV Increment from Demand	TV Deductions of Existing Land/Improvements	Cumulative TV Increment on Development	Revenue from Existing Value Growth	Revenue from Projected New Value Growth	Gross URA Revenue (Existing + New)	New Increment Value Revenue
	[5]	[6]/[7]	[6]/[7]	[8]	[9]/[11]	[10]/[11]	[11]	[12]	[13]	[13]		[14]
	0	2018	2019	$2,700,572	$0	$0	$0	$0				
Q1	1	2019	2020	$5,468,659	$15,288,485	$0	-$736,352	$14,552,133	$40,509	$0	$40,509	**$35,648**
	2	2020	2021	$8,305,948	$13,649,370	$13,321,236	-$437,684	$41,448,859	$82,030	$218,282	$300,312	**$264,274**
	3	2021	2022	$11,214,170	$0	$13,654,267	-$448,626	$55,690,722	$124,589	$621,733	$746,322	**$656,763**
	4	2022	2023	$14,195,096	$0	$13,995,624	-$459,842	$70,618,772	$168,213	$835,361	$1,003,573	**$883,145**
	5	2023	2024	$17,250,546	$0	$14,345,515	-$471,338	$86,258,418	$212,926	$1,059,282	$1,272,208	**$1,119,543**
Q2	6	2024	2025	$20,382,382	$0	$14,704,153	-$483,121	$102,635,910	$258,758	$1,293,876	$1,552,634	**$1,366,318**
	7	2025	2026	$23,592,514	$0	$15,071,756	-$495,199	$119,778,365	$305,736	$1,539,539	$1,845,274	**$1,623,841**
	8	2026	2027	$26,882,900	$0	$15,448,550	-$507,579	$137,713,795	$353,888	$1,796,675	$2,150,563	**$1,892,496**
	9	2027	2028	$30,255,545	$0	$15,834,764	-$520,269	$156,471,135	$403,243	$2,065,707	$2,468,950	**$2,172,676**
	10	2028	2029	$33,712,506	$0	$16,230,633	-$533,275	$176,080,272	$453,833	$2,347,067	$2,800,900	**$2,464,792**
Q3	11	2029	2030	$37,255,891	$0	$16,636,399	-$546,607	$196,572,070	$505,688	$2,641,204	$3,146,892	**$2,769,265**
	12	2030	2031	$40,887,861	$0	$17,052,309	-$560,272	$217,978,408	$558,838	$2,948,581	$3,507,419	**$3,086,529**
	13	2031	2032	$44,610,630	$0	$17,478,617	-$574,279	$240,332,206	$613,318	$3,269,676	$3,882,994	**$3,417,035**
	14	2032	2033	$48,426,468	$0	$17,915,582	-$588,636	$263,667,457	$669,159	$3,604,983	$4,274,143	**$3,761,245**
	15	2033	2034	$52,337,702	$0	$18,363,472	-$603,352	$288,019,263	$726,397	$3,955,012	$4,681,409	**$4,119,640**
Q4	16	2034	2035	$56,346,717	$0	$18,822,558	-$618,436	$313,423,867	$785,066	$4,320,289	$5,105,354	**$4,492,712**
	17	2035	2036	$60,455,958	$0	$0	$0	$321,259,463	$845,201	$4,701,358	$5,546,559	**$4,880,972**
	18	2036	2037	$64,667,929	$0	$0	$0	$329,290,950	$906,839	$4,818,892	$5,725,731	**$5,038,644**
	19	2037	2038	$68,985,200	$0	$0	$0	$337,523,224	$970,019	$4,939,364	$5,909,383	**$5,200,257**
	20	2038	2039	Last Year of Collections:					$1,034,778	$5,062,848	$6,097,626	**$5,365,911**
				Total Revenue, 2019-2038					**$10,019,000**	**$52,040,000**	**$62,059,000**	**$54,612,000**
				Present Value of URA Revenue (2019$):					**$6,135,000**	**$31,652,000**	**$37,786,000**	**$33,252,000**

[1] Assumes 12.0% of increment revenue for operations.
[2] Discount rate reflects the standard bond rate for new URDs.
[3] Assuming the program of Known Developments deliver first, taxable value is absorbed over a 2-year period.
[4] Other demand within the District is assumed to come online beginning in the year following Known Development.
[5] Assumes the District is approved in 2018, with the first increment revenue collected in CCDC fiscal year 2020.
[6] Taxes are collected one year in arrears, taxes in calendar year 2019 are modeled to be collected in calendar year 2020.
[7] The District will receive collections from the 20th and last year of the URD in CCDC fiscal year 2039.
[8] Assumes a 2.5% inflation of the base taxable value, which is assumed at $108,022,900 based on 2017 Ada County Assessor Data.
[9] Assumes a portion of taxable value (varies by land use) comes online in the year placed in service, the remaining coming online in the following year.
[10] Includes all demand not associated with Known Development proposals.
[11] Does not show cumulative taxable value increment, only displays increment or deductions associated with new investment coming online in a given year.
[12] Includes increment from new product in the given calendar year, in addition to the cumulative inflated increment from new product in previous calendar years.
[13] Assumes the 2018 tax levy is constant through the life of the District.
[14] Gross URD revenue available increment less Urban Renewal Program operations.

Assumptions provided by CCDC

Appendix IV: Costs by Quarter

Figure 4.A. First Quarter Costs

Improvement	Key Strategy	Costs	Cash Flow Year
Streetscape Improvements - Lusk St, Boise River to Ann Morrison Park Dr	Infrastructure	$655,000	2023
Streetscape Improvements - La Pointe St, Royal Blvd to Sherwood St	Infrastructure	$357,000	2022
Streetscape Improvements - Royal Blvd, La Pointe St to 9th St	Infrastructure	$353,000	2021
Underground Overhead Power and Telecomm - Lusk Neighborhood	Infrastructure	$250,000	2021
Greenbelt Path Improvements - North and South shores, Phase 1	Mobility	$460,000	2022
Area Lighting - Greenbelt Bridge Adjacent to I-184 Connector	Placemaking	$72,000	2020
Surface Improvements - 8th St Pedestrian Bridge	Placemaking	$75,000	2020
TOTAL		**$2,222,000**	

Figure 4.B. Second Quarter Costs

Improvement	Key Strategy	Costs
Greenbelt Path Improvements - North and South shorelines, Phase 2	Mobility	$565,000
Mixed-use Development including Public Garage - Lusk Neighborhood	Economic Dev/ Housing	$4,400,000
Lusk Neighborhood Entrance Park - at Greenbelt and Lusk St Intersection	Placemaking	$360,000
Mixed-use Redevelopment Assistance -River Street Neighborhood	Economic Dev/ Housing	$850,000
Residential-focused Redevelopment Assistance - (e.g. 1025 Capitol Blvd City Property)	Economic Dev/ Housing	$1,200,000
Mixed-use Redevelopment Assistance - near 13th St and Shoreline Dr	Economic Dev/ Housing	$2,000,000
Public Plaza and Riverbank Restoration - Shoreline Park	Placemaking	$1,850,000
Recreational/Emergency River Access Facility - Shoreline Park	Placemaking	$87,000
Fiber Optic Network Expansion - District Wide	Infrastructure	$180,000
Underground Powerlines - River Street Neighborhood	Infrastructure	$250,000
Underground Powerlines - Lusk Street Neighborhood	Infrastructure	$250,000
Floodplain Remediation	Economic Dev	$100,000
TOTAL		**$12,092,000**

Figure 4.C. Third Quarter Costs

Improvement	Key Strategy	Costs
11th Street Bridge	Mobility	$3,800,000
Right-of-Way Acquisition - 11th St, through Forest River Office Park to Boise River	Economic Dev	$315,000
11th St Public Space Connection - River St to Proposed 11th St. Bridge	Mobility	$433,000
Festival Street Improvements - Island Ave	Placemaking	$686,000
Streetscape Improvements - Sherwood St, La Pointe St to Cap Blvd	Infrastructure	$463,000
Right-of-Way Acquisition - Shoreline Dr Extension, 13th St to River St	Mobility	$943,000
Streetscape Improvements - Shoreline Dr Extension, 13th St to River St	Placemaking	$525,000
Festival Street Improvements - Shoreline Dr, 14th St to 13th St	Placemaking	$1,070,000
Streetscape Improvements - 14th St, Shoreline Dr to River St	Infrastructure	$645,000
Underground Powerlines - River Street Neighborhood	Infrastructure	$250,000
Underground Powerlines - Lusk Street Neighborhood	Infrastructure	$250,000
Fiber Optic Network Expansion - District Wide	Infrastructure	$187,500
Alley Improvements - Between La Pointe St & Lusk St, from Island Ave to Royal Blvd	Placemaking	$300,000
Floodplain Remediation	Economic Dev	$300,000
Right-of-Way Acquisition or Property Acquisition for mixed use development or additional streetscape	Economic Development	$625,000
TOTAL		**$10,792,500**

Figure 4.D. Fourth Quarter Costs

Improvement	Key Strategy	Costs
Streetscape Improvements - Shoreline Dr, Americana to 14th St	Infrastructure	$483,000
Recreation Enhancements and Habitat Restoration - Settler's Diversion Dam	Special Projects	$65,000
Boulevard Improvements - River St, Americana Blvd to 9th St	Infrastructure	$1,775,000
Streetscape Improvements - Capitol Blvd, Boise River to Ann Morrison Park Dr	Infrastructure	$800,000
Streetscape Improvements - 9th St, River St to Ann Morrison Park Dr	Infrastructure	$860,000
Right-of-Way Acquisition - Spa St realignment/extension, from 17th St through Kmart site to Shoreline Dr Extension	Economic Dev/ Housing	$1,380,000
Streetscape Improvements - Spa St Extension, 14th St to Shoreline Dr Extension	Placemaking	$665,000
Streetscape Improvements - Spa St Extension, 17th St to 14th St	Placemaking	$620,000
Streetscape Improvements - 17th St, Shoreline Dr to Cul-de-sac	Infrastructure	$1,100,000
Fiber Optic Network Expansion - District Wide	Infrastructure	$187,500
Underground Powerlines - District Wide	Infrastructure	$500,000
Floodplain Remediation	Economic Dev	$300,000
TOTAL		**$8,735,500**

Figure 4.E. Unfunded Costs

Improvement	Key Strategy	Costs
Right-of-Way Acquisition - Forest River Office Park	Economic Dev	$690,000
Streetscape Improvements - New Right-of-Way Forest River Office Park, Shoreline Dr to 11th St	Placemaking	$618,000
Streetscape Improvements - 15th Street, Americana Blvd junction to I-184 Connector	Infrastructure	$735,000
Streetscape Improvements - Americana Blvd, Americana Terrace to River St	Infrastructure	$1,020,000
Streetscape Improvements - Americana Blvd (16th St), River St to I-184 Connector	Infrastructure	$495,000
Streetscape Improvements - 25th Street, I-184 Connector to 17th St	Infrastructure	$225,000
Streetscape Improvements - Ann Morrison Park Dr, La Pointe St to Capitol Blvd	Infrastructure	$355,000
Streetscape Improvements - 13th St, Shoreline Dr to River St	Infrastructure	$650,000
Streetscape Improvements - River St, I-184 Connector to Americana Blvd	Infrastructure	$222,000
Boise River South Shore Habitat Enhancement - Ann Morrison Park	Special Project	$2,750,000
Streetscape Improvements - Lusk Type 1 Right of Way, Royal Blvd to Sherwood St	Mobility	$350,000
Mixed-use Redevelopment Assistance - Firefighter Training Facility	Economic Dev	$3,200,000
Redevelopment Assistance - ACHD Remnant Parcel at Shoreline Dr and I-184 Connector	Economic Dev	$800,000
Shoreline Park Bridge - 13th St Connection to Ann Morrison Park	Mobility	$3,500,000
Mixed-use Development including Public Garage -River Street Neighborhood	Mobility	$7,000,000
Residential-focused Redevelopment Assistance - (e.g. 1020 Lusk St, 1028 Lusk St, or City Property)	Economic Dev	$710,000
Streetscape Improvements - Shoreline Dr, I-184 Connector to Americana Blvd	Infrastructure	$1,035,000
Redevelopment Assistance, ACHD, 829 S 17th St	Economic Dev	$500,000
Redevelopment Assistance, City of Boise, 825 S 17th St	Economic Dev	$400,000
Fiber Optic Network Expansion - District Wide	Infrastructure	$2,267,500
Underground Overhead Powerlines - District Wide	Infrastructure	$1,000,000
Alleyway / Remnant Parcel Public Improvements- District Wide	Infrastructure	$900,000
Greenbelt Underpass Expansion - Americana Blvd	Mobility	$850,000
Greenbelt Underpass Expansion - 9th St	Mobility	$850,000
Greenbelt Underpass Expansion - Capitol Boulevard	Mobility	$850,000
Public Transportation Improvements - Stations/Stops Lusk St Neighborhood	Mobility	$350,000
Public Transportation Improvements - Stations/Stops River St Neighborhood	Mobility	$350,000
TOTAL		**$32,672,500**

Appendix V: Feasibility Model

Projected Bond Terms

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

Notes:

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

Funding Structure

Assumed Bonds	Assumed Year	Amount [4]	Issuance Costs	Total Issuance [5]	Years of URA Before Payment Begins
Proposed - 2nd Quarter	2024	$14,017,942	$140,179	$14,158,122	5
Proposed - 3rd Quarter	2029	$14,504,218	$145,042	$14,649,260	10
Proposed - 4th Quarter	2034	$13,609,624	$136,096	$13,745,721	15

Annual Escalation of Construction Costs [6]	3%

Summary

Cumulative Fund Balance in 2039	$3,723
PV of Cumulative Fund Balance (2019$)	$1,767
Outstanding Debt in 2039	$0

PV of funded improvements	$33,842,000
PV of revenues @ 4%	$33,252,012

				Debt Service			Debt Service			Debt Service					
				Proposed - 2nd Quarter			Proposed - 3rd Quarter			Proposed - 4th Quarter			URA Payoff Analysis		
URA Year	Assessment Year [7]	New Increment Value Revenue	Proposed First Quarter Costs Paid Out of Cash Flow	URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	URA Backed Bonds Issued	URA Annual Debt Service Target Payments	Principal Balance	Annual Surplus/Shortfall	Cumulative Fund Balance	Interest Earnings/ on Cumulative Balance
0	2018	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2019	$35,648	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$35,648	$35,648	$356
2	2020	$264,274	$151,410	$0	$0	$0	$0	$0	$0	$0	$0	$0	$112,864	$148,868	$1,489
3	2021	$656,763	$639,723	$0	$0	$0	$0	$0	$0	$0	$0	$0	$17,041	$167,398	$1,674
4	2022	$883,145	$892,758	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$9,613	$159,459	$1,595
5	2023	$1,119,543	$737,208	$0	$0	$0	$0	$0	$0	$0	$0	$0	$382,335	$543,388	$5,434
6	2024	$1,366,318	$0	$14,158,122	$1,273,397	$13,451,049	$0	$0	$0	$0	$0	$0	$92,921	$641,743	$6,417
7	2025	$1,623,841	$0	$0	$1,273,397	$12,715,694	$0	$0	$0	$0	$0	$0	$350,444	$998,605	$9,986
8	2026	$1,892,496	$0	$0	$1,273,397	$11,950,925	$0	$0	$0	$0	$0	$0	$619,099	$1,627,690	$16,277
9	2027	$2,172,676	$0	$0	$1,273,397	$11,155,565	$0	$0	$0	$0	$0	$0	$899,279	$2,543,246	$25,432
10	2028	$2,464,792	$0	$0	$1,273,397	$10,328,391	$0	$0	$0	$0	$0	$0	$1,191,395	$3,760,073	$37,601
11	2029	$2,769,265	$0	$0	$1,273,397	$9,468,129	$14,649,260	$1,806,121	$13,429,109	$0	$0	$0	-$310,253	$3,487,421	$34,874
12	2030	$3,086,529	$0	$0	$1,273,397	$8,573,457	$0	$1,806,121	$12,160,152	$0	$0	$0	$7,011	$3,529,306	$35,293
13	2031	$3,417,035	$0	$0	$1,273,397	$7,642,999	$0	$1,806,121	$10,840,437	$0	$0	$0	$337,517	$3,902,116	$39,021
14	2032	$3,761,245	$0	$0	$1,273,397	$6,675,322	$0	$1,806,121	$9,467,934	$0	$0	$0	$681,727	$4,622,864	$46,229
15	2033	$4,119,640	$0	$0	$1,273,397	$5,668,937	$0	$1,806,121	$8,040,530	$0	$0	$0	$1,040,122	$5,709,214	$57,092
16	2034	$4,492,712	$0	$0	$1,273,397	$4,622,298	$0	$1,806,121	$6,556,030	$13,745,721	$3,087,662	$11,207,888	-$1,674,468	$4,091,839	$40,918
17	2035	$4,880,972	$0	$0	$1,273,397	$3,533,793	$0	$1,806,121	$5,012,150	$0	$3,087,662	$8,568,542	-$1,286,208	$2,846,549	$28,465
18	2036	$5,038,644	$0	$0	$1,273,397	$2,401,747	$0	$1,806,121	$3,406,515	$0	$3,087,662	$5,823,622	-$1,128,536	$1,746,479	$17,465
19	2037	$5,200,257	$0	$0	$1,273,397	$1,224,420	$0	$1,806,121	$1,736,655	$0	$3,087,662	$2,968,905	-$966,922	$797,021	$7,970
20	2038	$5,365,911	$0	$0	$1,273,397	$0	$0	$1,806,121	$0	$0	$3,087,662	$0	-$801,268	$3,723	$37
TOTAL		**$54,611,706**	**$2,421,099**	**$14,158,122**	**$19,100,955**		**$14,649,260**	**$18,061,211**		**$13,745,721**	**$15,438,308**		**-$409,866**	**$3,723**	**$413,626**