

POCATELLO DEVELOPMENT AUTHORITY
Board of Commissioners Meeting
April 18, 2007
11:00 a.m.

City Hall
911 North 7th Avenue

11:00 a.m. Council Chambers

Call to Order – Chairman Brown

Acknowledge Guests of Board, if any

Disclosure of Conflicts of Interest, if any

Agenda - Add or Delete Action or Discussion Items

Action and Discussion Items:

Minutes for March 21, 2007 – Motion to Approve and/or Amend

Financial Report: March Income and Expenses

Consider Approving 1st Quarter Admin Fees

North Yellowstone

Consider Approving Pay Request #30

Consider Approving Pay Request #31

Miscellaneous Items/Questions from Commissioners

Hoku Project Update

IsoRay Project Update

Executive Session if Required

RESOLUTION NO. 2007-2

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY, AN URBAN RENEWAL AGENCY, ORGANIZED UNDER THE LAWS OF THE STATE OF IDAHO; EXPRESSING APPRECIATION TO JOHN RICKS FOR OUTSTANDING SERVICE AND COMMITMENT TO THE AUTHORITY DURING TWO TERMS AS A MEMBER OF THE BOARD OF COMMISSIONERS.

WHEREAS, John Ricks first volunteered to become a member of the Board of Commissioners of the Pocatello Development Authority as a representative of the education sector in August, 1999; and

WHEREAS, after having served the Board diligently for a four-year term, he thereafter volunteered for a second term in order to help provide continuity to the Authority and assist with the formation of several new districts; and

WHEREAS, during his tenure with the Board he served as Vice-Chair, providing responsible leadership in the Board's role of urban renewal and economic development for the Pocatello area; and

WHEREAS, his term of office expires as of May 1, 2007, the Board of Commissioners desires to recognize his efforts on behalf of the Pocatello Development Authority;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF COMMISSIONERS OF THE POCATELLO DEVELOPMENT AUTHORITY HEREBY PUBLICLY EXPRESSES ITS GRATITUDE TO JOHN RICKS:

1. For his outstanding service to the Authority and to the citizens of the Pocatello area since his initial appointment in August of 1999;

2. For his willingness to volunteer for not only one four-year term of office, but to agree to an additional term in order to provide continuity of leadership during a period of increased activity;

3. For his leadership role as Vice-Chair in the conduct of the Board's statutory duties in regard to urban renewal area projects;

4. For his commitment to excellence in pursuit of the Board's goals through additional meetings and hearings whenever necessary and through coordination with other economic development groups; and

5. For all his efforts in connection with the mission and goals of the Pocatello Development Authority to enhance the well-being of the citizens of the City of Pocatello, we, the members of the Board of Commissioners of the Pocatello Development Authority hereby acknowledge our sincere appreciation to John Ricks for eight years of commitment to urban renewal and economic development.

BE IT FURTHER RESOLVED that the Secretary of the Board of Commissioners of the Pocatello Development Authority is hereby authorized and directed to provide an original of this Resolution to John Ricks after its passage and approval by the Board.

DATED this 18 day of April, 2007.

POCATELLO DEVELOPMENT
AUTHORITY BOARD OF DIRECTORS



STEVE BROWN, Chairman

ATTEST:


DARCY L. TAYLOR, Secretary

| | <u>Current Month</u> | <u>YTD Actual</u> | <u>Budget</u> | <u>Variance</u> |
|----------------------------|----------------------|---------------------|-----------------------|-----------------------|
| Beginning Balance | | \$680,166.84 | \$680,166.84 | |
| SOURCES OF FUNDS | | | | |
| Kress District | \$0.00 | \$2,305.63 | \$5,748.75 | \$3,443.12 |
| Newtown District | \$0.00 | \$20,331.20 | \$56,230.27 | \$35,899.07 |
| Al Ricken Drive District | \$0.00 | \$0.00 | \$833,352.13 | \$833,352.13 |
| Old Town District | \$1,234.89 | \$7,085.71 | \$275,437.12 | \$268,351.41 |
| North Main District | \$20,518.75 | \$36,596.39 | \$105,500.68 | \$68,904.29 |
| Roosevelt District | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Central Corridor District | \$8,722.35 | \$128,584.44 | \$488,069.77 | \$359,485.33 |
| North Yellowstone District | \$56,600.82 | \$153,688.12 | \$368,864.08 | \$215,175.96 |
| General Funds | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Board Disc.* | \$0.00 | \$0.00 | \$15,000.00 | \$15,000.00 |
| Interest Income | \$634.33 | \$1,877.07 | \$3,600.00 | \$1,722.93 |
| TOTAL | \$87,711.14 | \$350,468.56 | \$2,151,802.80 | \$1,801,334.24 |

CASH AVAILABLE **\$1,030,635.40** **\$2,831,969.64**

APPLICATION OF FUNDS

| | | | | |
|----------------------------|----------------|--------------------|-----------------------|-----------------------|
| Kress District | \$0.00 | \$0.00 | \$5,748.75 | \$5,748.75 |
| Newtown District | \$0.00 | \$0.00 | \$56,230.27 | \$56,230.27 |
| Al Ricken Drive District | \$0.00 | \$0.00 | \$833,352.13 | \$833,352.13 |
| Old Town District | \$0.00 | \$0.00 | \$275,437.12 | \$275,437.12 |
| North Main District | \$0.00 | \$0.00 | \$105,500.68 | \$105,500.68 |
| Roosevelt District | \$0.00 | \$0.00 | \$196,208.64 | \$196,208.64 |
| Central Corridor | \$0.00 | \$0.00 | \$488,069.77 | \$488,069.77 |
| North Yellowstone District | \$0.00 | \$0.00 | \$368,864.08 | \$368,864.08 |
| Board Disc. | \$0.00 | \$31,876.48 | \$375,000.00 | \$343,123.52 |
| General Funds | \$93.86 | \$3,393.27 | \$17,200.00 | \$13,806.73 |
| Bank Charges | \$0.00 | \$0.00 | \$600.00 | \$600.00 |
| TOTAL | \$93.86 | \$35,269.75 | \$2,722,211.44 | \$2,686,941.69 |

ENDING BALANCE **\$995,365.65** **\$109,758.20**

DISTRICT ENDING BALANCES
March 31, 2007

| | | |
|----------------------------|-------------------|---------------------|
| Bank Balance | | \$995,365.65 |
| General Fund | 14,647.86 | |
| Discretionary Funds | 381,698.35 | |
| Kress Project | 2,342.74 | |
| Newtown District | 20,331.20 | |
| Alvin Ricken District | 0.00 | |
| Old Town District | 11,298.73 | |
| North Main District | 85,279.77 | |
| Roosevelt District | 196,208.64 | |
| Central Corridor District | 129,870.24 | |
| North Yellowstone District | <u>153,688.12</u> | |
| District Totals | | \$995,365.65 |

POCATELLO DEVELOPMENT AUTHORITY

March 2007

INCOME:

| | |
|--------------------|------------------------------------|
| Old Town: | \$1,234.89 (Tax Dollars Received) |
| North Main: | \$20,518.75 (Tax Dollars Received) |
| Central Corridor: | \$8,722.35 (Tax Dollars Received) |
| North Yellowstone: | \$56,600.82 (Tax Dollars Received) |
| Interest Income: | \$634.33 (Tax Dollars Received) |

EXPENSES:

| | |
|---------------|---------------------|
| General Fund: | \$93.86 (PDA Lunch) |
|---------------|---------------------|

**POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS**

| YEARS ENDED | Actual 2006 | Actual 2007 | Estimated 2007 | 2008 | 2009 | 2010 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Previous Year Balance*: | \$1,698,816.51 | \$1,319,773.12 | \$1,474,557.35 | \$374,354.02 | \$332,672.12 | \$1,086,796.79 |
| INCOME: | | | | | | |
| Estimated Tax Revenues****: | 1,868,042.64 | 154,784.23 | 1,603,805.74 | 1,685,554.67 | 1,685,554.67 | 1,685,554.67 |
| South Cliffs Repayment: | 85,000.00 | | | | | 200,000.00 |
| City Advance: | 325,600.00 | | | | | |
| City Water Portion of OTP: | 414,400.00 | | | | | |
| Ross Park Pool Repayment: | 200,000.00 | | | | | |
| Total Projected Income: | 2,893,042.64 | 154,784.23 | 1,603,805.74 | 1,685,554.67 | 1,685,554.67 | 1,885,554.67 |
| TOTAL AVAILABLE INCOME: | \$4,591,859.15 | \$1,474,557.35 | \$3,078,363.09 | \$2,059,908.69 | \$2,018,226.79 | \$2,972,351.46 |
| EXPENSE: | | | | | | |
| Current Year Debt Service*: | 783,605.00 | | 931,772.50 | 931,635.00 | 931,430.00 | 1,862,227.50 |
| South Cliffs--Phase 1**: | | | | | | |
| South Cliffs--Phase 2**: | | | | | | |
| Old Town Revitalization: | | | | | | |
| Old Town Reinvestment Phase 2***: | 1,976,019.53 | | 349,608.53 | | | |
| Old Town Reinvestment Phase 3 (uncommitted): | | | 76,055.14 | | | |
| Old Town Building | 130,000.00 | 0.00 | 0 | | | |
| Engineering Expense (JUB) | 121,367.60 | | | | | |
| Old Town Engineering--Phase 2: | | | | | | |
| Positron: | | | | | | |
| Cheyenne Crossing**: | 4,593.90 | | 845,650.04 | | | |
| Whitman/Yellowstone Hotel: | 256,500.00 | | 256,500.00 | | | |
| Federal Express: | | | | | | |
| Clark Street Overpass: | | | 157,678.00 | | | |
| City Advance Payback: | | | 162,800.00 | 162,800.00 | | |
| Triangle: | | | | 632,801.57 | | |
| Total Projected Expense: | 3,272,086.03 | 0.00 | 2,704,009.07 | 1,727,236.57 | 931,430.00 | 1,862,227.50 |
| CALCULATED ANNUAL BALANCE | \$1,319,773.12 | \$1,474,557.35 | \$374,354.02 | \$332,672.12 | \$1,086,796.79 | \$1,110,123.96 |

Notes:

* Includes all Central Corridor Tax Districts--Newtown, Alvin Ricken, Old Town, North Main, Central Corridor

** Project totals as of 1/1/06.

*** Anticipated final costs

Beginning balance 2006 is total revenues held by Trustee as of 1/1/06.

Repayments in 2010: \$400,000 from Positron, & \$200,000 from South Cliffs.

AMI repayment of \$1.2 million is due in 2012.

**** Change in tax revenues reflects change in Ballard Building: 100% land, 50% building, and no equipment

Updated 10/31/06.

pda/financials/ccprojections2004.xls

POCATELLO DEVELOPMENT AUTHORITY

**Administration Invoice
January 2007-March 2007**

| | |
|---|-------------------|
| Administration/Clerical*: 1st Quarter 2007 (1/07-3/07) | 3,000.00 |
| Postage/Copies: 1st Quarter 2007 (1/07-3/07) | <u>125.00</u> |
| INVOICE TOTAL: | \$3,125.00 |

* Timesheet breakdown attached.

POCATELLO DEVELOPMENT AUTHORITY
REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A
REQUISITION PURSUANT TO BOND ORDINANCE

Wells Fargo Bank
MAC U1859-031
999 Main Street, 3rd Floor
Boise, Idaho 83702
Attn: Corporate Trust Services

The undersigned, who is authorized to make such request under Section 11 of the Bond Ordinance, dated as of December 8, 2004, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: 30
2. Payment is due to: Rail Crossings & JB Parson Companies
3. The amount to be disbursed is: \$5,586.00
4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the Construction Fund and has not been previously paid from said Fund or from the proceeds of the Bonds.
5. All of this requested payment is for the items on the attached Schedule, which are costs of acquisition and construction or costs of issuing the Bonds.

Attachments: See Attached Schedule of Costs to Requisition

DATED: April 18, 2007

POCATELLO DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF POCATELLO

Authorized Representative

Terms used herein shall be as defined in the Bond Ordinance.

**SCHEDULE OF COSTS TO REQUISITION
CERTIFICATE NO. 30**

| <u>Description of Costs</u> | <u>Payee and Location</u> | <u>Amount</u> |
|--|---|---------------|
| Rail Crossings & JB Parsons Companies | Rail Crossings C/o PEG Development One East Center St. Ste 300 Provo, UT 84606 | \$5,586.00 |

The above are to be paid upon receipt by Trustee of an invoice therefor.

POCATELLO DEVELOPMENT AUTHORITY

REVENUE ALLOCATION (TAX INCREMENT) BONDS, 2004 SERIES A

REQUISITION PURSUANT TO BOND ORDINANCE

Wells Fargo Bank
MAC U1859-031
999 Main Street, 3rd Floor
Boise, Idaho 83702
Attn: Corporate Trust Services

The undersigned, who is authorized to make such request under Section 11 of the Bond Ordinance, dated as of December 8, 2004, between First Security Bank, N.A. ("Trustee") and the Pocatello Development Authority (the "Agency"), hereby requests the above Trustee as follows:

1. Requisition Number: 31
2. Payment is due to: Rail Crossings
3. The amount to be disbursed is: \$119,055.65
4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the Construction Fund and has not been previously paid from said Fund or from the proceeds of the Bonds.
5. All of this requested payment is for the items on the attached Schedule, which are costs of acquisition and construction or costs of issuing the Bonds.

Attachments: See Attached Schedule of Costs to Requisition

DATED: April 18, 2007

POCATELLO DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF POCATELLO

Authorized Representative

Terms used herein shall be as defined in the Bond Ordinance.

**SCHEDULE OF COSTS TO REQUISITION
CERTIFICATE NO. 31**

| <u>Description of Costs</u> | <u>Payee and Location</u> | <u>Amount</u> |
|-----------------------------|---|---------------|
| Rail Crossings | Rail Crossings C/o PEG Development One East Center St. Ste 300 Provo, UT 84606 | \$119,055.65 |

The above are to be paid upon receipt by Trustee of an invoice therefor.



A Company of Professional Engineers

412 W. Center, Suite 330 • Pocatello, ID 83204
208-238-2146 • Fax: 208-238-2162 • keller@kellerassociates.com

April 10, 2007

Greg Lanning, P.E.
Public Works Director
911 North 7th Avenue
Pocatello, Idaho 83205

RE: Rail Crossings, LLC
Yellowstone & Quinn Street improvements
Pay Application Request Number 2 Analysis & Summary

Dear Mr. Lanning:

Keller Associates, Inc. has reviewed the attached Payment Application Request and finds this application to be complete as submitted. Please see the following payment summary:

| <u>Contractor</u> | <u>Payment Request</u> |
|--------------------------|------------------------|
| JB Parsons Companies | \$5,586.00 |
| Wheeler Electric, Inc. | \$118,205.65 |
| Keller Associates, Inc. | \$850.00 |
| Total Pay Request | \$124,641.65 |

We recommend payment in full based on our review.

Additionally, throughout the progress of this project, Keller Associates, Inc. has observed the signalization construction and coordination efforts as provided by Wheeler Electric and Jack B. Parsons Companies. We attended and conducted weekly on-site construction progress meetings attended by both contractors and PEG Development as well as ITD and City of Pocatello representatives. During these meetings, we found as a project team that progressive efforts were made on all accounts to solve on-site issues and add to the continued success of the construction and future site efforts.

Keller Associates has available, upon request, the construction progress meeting minutes as well as our on-site observation reports.

Should you have any further questions please contact us.

Respectfully Submitted,
KELLER ASSOCIATES, INC

Michael R. Jaglowski, P.E.

Attachments:
Pay Application Request Packet



PDA Draw Checklist

- x 1. Invoice from PEG summarizing the costs for project monthly billing period.
- x 2. A notarized Application and Certificate of payment, signed by the Contractor, the Engineer, and the Developer Construction Manager.
- x 3. A schedule of values showing the percent completion of all of the items in the contract.
- MS* needed 4. Unconditional Partial Waiver and Release of Claims and Lien Rights, signed and notarized by the contractor.
- MS* 5. A signed and Stamped Application for Payment by the Engineer.
- n/a 6. Signed Work change Orders including estimated quantities, unit costs, and total prices.
- n/a 7. Invoices for Materials stored
- n/a 8. Material Testing Info.
- MS* 9. Engineering Pay Estimate Analysis signed and Stamped by a professional engineer.
- x 10. Finally a budget spreadsheet that matches and tracks the costs in the project and is similar in format to the PDA budget sheets.

Yellowstone & Quinn Improvements
PDA Project

PEG Development
One East Center Street Suite 300
Provo, UT 84606



Special Instructions: Please make a separate check to J.B. Parsons

Date: 4/9/2007
Draw Requisition #: 3

| Budget Number | Description | Original Proj Budget | Budget Adjustment | Revised Proj Budget | Previous Amt Funded | Total Retention | Current Request w/o retainage | Current Retainage | Available To Be Disb | Disb % |
|--------------------|---------------------------|-------------------------|----------------------|------------------------|------------------------|-----------------|----------------------------------|-------------------|-------------------------|---------------|
| Construction Costs | | | | | | | | | | |
| 1 | J.B. Parsons Street Work | \$ 524,082.00 | | \$ 524,082.00 | \$ 5,842.50 | \$ 307.50 | \$ 5,586.00 | \$ 294.00 | \$ 512,052.00 | 2.30% |
| 2 | Wheeler Electric Signal | \$ 233,560.00 | \$ 12,699.00 | \$ 246,259.00 | \$ 73,161.40 | \$ 3,850.80 | \$ 116,205.65 | \$ 6,221.35 | \$ 44,820.00 | 81.80% |
| 3 | Engineering Reimburse | \$ 26,493.00 | | \$ 26,493.00 | \$ 26,493.00 | | | | \$ - | 100.00% |
| 4 | Engineering inspections & | \$ 16,352.00 | | \$ 16,352.00 | \$ 2,595.00 | | \$ 850.00 | | \$ 12,907.00 | 21.07% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| | | | | | | | | | - | 100.00% |
| Total Cost | | 800,487.00 | 12,699.00 | 813,186.00 | 108,091.90 | | 124,641.65 | | 580,452.45 | 28.62% |

Total this Draw: \$ 124,641.65
Previous Total Drawn: \$ 108,091.90
Total Drawn to Date: \$ 232,733.55

Yellowstone & Quinn Street Improvements
 Draw 3
 Date 4/8/2007

| Budget# | Line Item | Vendor | Invoice | Description | Invoice Amt | Retainage | Amount Paid | Total Paid Vendor |
|--------------------------------|---|--------|---------|-------------|--------------|------------|---------------|-------------------|
| Wheeler Electric Draw 3 | | | | | | | | |
| | 6 Pull Wire | | | | \$ 1,250.00 | \$62.50 | \$ 1,187.50 | \$ 118,205.65 |
| | 9 Build Poles | | | | \$ 90,000.00 | \$4,500.00 | \$ 85,500.00 | |
| | 10 Set Poles | | | | \$ 27,000.00 | \$1,350.00 | \$ 25,650.00 | |
| | 12 Internal Thermal Comp | | | | \$ 2,449.00 | \$122.45 | \$ 2,326.55 | |
| | 14 Traficon Video Detection | | | | \$ 3,728.00 | \$186.40 | \$ 3,541.60 | |
| JB Parsons Draw 2 | | | | | | | | |
| | 13 West Side Electrical Work/Relocates | | | | \$ 1,230.00 | \$81.50 | \$ 1,168.50 | \$ 5,586.00 |
| | 31 East Side Electrical Work/Relocates | | | | \$2,750.00 | \$137.50 | \$ 2,612.50 | |
| | 32 Relocate All Signs as Required East Side | | | | \$1,900.00 | \$95.00 | \$ 1,805.00 | |
| Keller & Associates | | | | | | | | |
| | Construction Administration | | | | \$850.00 | \$0.00 | \$ 850.00 | \$ 850.00 |
| Total Draw Request | | | | | | | | |
| | | | | | | \$6,515.35 | \$ 124,641.65 | |

Subcontractor's Lien Releases From Prior Draw Received? Yes

Change Orders Received This Period na



A Company of Professional Engineers

412 W. Center, Suite 330 • Pocatello, ID 83204
208-238-2146 • Fax: 208-238-2162 • keller@kellerasociates.com

Received: 4.2.07
Approved: RS
Acct #: 15112
Posted: 4.9.07
Paid: _____
Mailed: _____

March 26, 2007
Project No: 107011-000
Invoice No: 0000002

Rail Crossings, LLC
PEG Development
Attn: Robert Schmidt, PE
1 E. Center Street, Suite 300
Provo UT 84606

Project: 107011-000 PEG - Yellowstone Flandro Intersection

Project Manager: [Signature]

Professional Services: February 1, 2007 through February 28, 2007

Professional Personnel

| | Hours | Rate | Amount |
|--------------------|-------|-------|---------------|
| Jaglowski, Michael | 10.00 | 85.00 | 850.00 |
| Totals | 10.00 | | 850.00 |
| Total Labor | | | 850.00 |

Total this invoice \$850.00

| Billings to date | Current | Prior | Total |
|------------------|---------------|-----------------|-----------------|
| Labor | 850.00 | 2,595.00 | 3,445.00 |
| Totals | 850.00 | 2,595.00 | 3,445.00 |

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT

TO OWNER: RAIL CROSSINGS, LLC
ONE EAST CENTER STREET
SUITE 300
PROVO, UT 84606

PROJECT: YELLOWSTONE & FLANDRO SIGNAL

POCATELLO, ID

APPLICATION NO. 11316 7

Distribution to:

FROM CONTRACTOR:
WHEELER ELECTRIC, INC
469 W 16TH STREET

IDAHO FALLS, ID 83402

VIA ARCHITECT:

PERIOD TO: 3/25/2007

- OWNER
 ARCHITECT
 CONTRACTOR

PROJECT NO: 0000001326

CONTRACT FOR:

CONTRACT DATE:

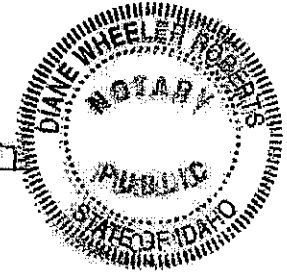
CONTRACTOR'S APPLICATION FOR PAYMENT

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

| | | |
|---|----|------------|
| 1. ORIGINAL CONTRACT SUM | \$ | 233,560.00 |
| 2. Net change by Change Orders | \$ | 18,265.00 |
| 3. CONTRACT SUM TO DATE (Line 1 + 2) | \$ | 251,825.00 |
| 4. TOTAL COMPLETED AND STORED TO DATE | \$ | 201,439.00 |
| | | |
| 5. RETAINAGE | | |
| a. 5.0% of Completed Work | \$ | 10,071.95 |
| b. Stored Material | \$ | 0.00 |
| Total Retainage | | |
| | \$ | 10,071.95 |
| | | |
| 6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total) | \$ | 191,367.05 |
| | | |
| 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT | \$ | 73,161.40 |
| 8. CURRENT PAYMENT DUE | \$ | 118,205.65 |
| 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) | \$ | 60,457.95 |

CONTRACTOR:

By: S. Colldley Date: 4-10-07
State of Idaho County of Bonn.
Subscribed and sworn to before me this 10 day of April, 2007
Notary Public: Diane Wheeler Roberts
My Commission expires: 12-18-08



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents based on on-site observations and the data comprising the application the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated the quality of the Work is in accordance with the Contract Documents and the Contractor is entitled to payment of the AMOUNT CERTIFIED

*Approved per tax
[Signature]
4/10/07*

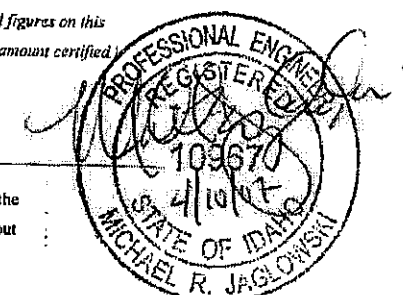
AMOUNT CERTIFIED \$ 118,205.65

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract



| CHANGE ORDER SUMMARY | ADDITIONS | DEDUCTIONS |
|---|-----------|------------|
| Total changes approved in previous periods by Owner | \$0.00 | \$0.00 |
| Total approved this Period (#7) | \$0.00 | \$0.00 |
| TOTALS | \$0.00 | \$0.00 |
| NET CHANGES by Change Order | \$0.00 | \$0.00 |

Application: 0007

From: 02/25/2007 To: 03/25/2007

WHEELER ELECTRIC, INC

Progress Billing

| Item Number | Change Order | Item | Contract Value | % Retention | % Complete | Progress To Date | Retention To Date | Previous Draw | Previous Retention | Prog to Date Inc SM | Stored Material | Current Draw | Current Retention | Net Draw | Outstanding |
|---|--------------|-------------------------------|-------------------|-------------|------------|-------------------|-------------------|------------------|--------------------|---------------------|-----------------|-------------------|-------------------|-------------------|------------------|
| 000001326 YELLOWSTONE & FLANDRO SIGNAL | | | | | | | | | | | | | | | |
| 000001 | 00000 | MOBILIZE | 20,000.00 | 5.00 | 100.00 | 20,000.00 | 1,000.00 | 20,000.00 | 1,000.00 | 20,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000002 | 00000 | POLE FOUNDATIONS | 25,000.00 | 5.00 | 100.00 | 25,000.00 | 1,250.00 | 25,000.00 | 1,250.00 | 25,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000003 | 00000 | BORE CONDUIT | 13,280.00 | 5.00 | 100.00 | 13,280.00 | 664.00 | 13,280.00 | 664.00 | 13,280.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000004 | 00000 | TRENCH CONDUIT | 13,280.00 | 5.00 | 75.00 | 9,960.00 | 498.00 | 9,960.00 | 498.00 | 9,960.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3,320.00 |
| 000005 | 00000 | SET BOXES | 3,000.00 | 5.00 | 75.00 | 2,250.00 | 112.50 | 2,250.00 | 112.50 | 2,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 750.00 |
| 000006 | 00000 | PULL WIRE | 5,000.00 | 5.00 | 25.00 | 1,250.00 | 62.50 | 0.00 | 0.00 | 1,250.00 | 0.00 | 1,250.00 | 62.50 | 1,187.50 | 3,750.00 |
| 000007 | 00000 | CHANGE POWER PEDISTAL | 4,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,000.00 |
| 000008 | 00000 | INSTALL VIDEO EQUIPMENT | 20,000.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,000.00 |
| 000009 | 00000 | BUILD POLES | 100,000.00 | 5.00 | 90.00 | 90,000.00 | 4,500.00 | 0.00 | 0.00 | 90,000.00 | 0.00 | 90,000.00 | 4,500.00 | 85,500.00 | 10,000.00 |
| 000010 | 00000 | SET POLES | 30,000.00 | 5.00 | 90.00 | 27,000.00 | 1,350.00 | 0.00 | 0.00 | 27,000.00 | 0.00 | 27,000.00 | 1,350.00 | 25,650.00 | 3,000.00 |
| 000011 | 00001 | WE01 SURVEY & STAKING | 1,303.00 | 5.00 | 100.00 | 1,303.00 | 65.15 | 1,303.00 | 65.15 | 1,303.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 000012 | 00001 | WE02 INTERNAL THERMAL COMP | 2,449.00 | 5.00 | 100.00 | 2,449.00 | 122.45 | 0.00 | 0.00 | 2,449.00 | 0.00 | 2,449.00 | 122.45 | 2,326.55 | 0.00 |
| 000013 | 00001 | WE03 TRAFFIC CONTROL | 5,566.00 | 5.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,566.00 |
| 000014 | 00001 | WE04 TRAFICON VIDEO DETECTION | 3,728.00 | 5.00 | 100.00 | 3,728.00 | 186.40 | 0.00 | 0.00 | 3,728.00 | 0.00 | 3,728.00 | 186.40 | 3,541.60 | 0.00 |
| 000015 | 00001 | WE05 WINTER HEATING-EQUIP | 5,219.00 | 5.00 | 100.00 | 5,219.00 | 260.95 | 5,219.00 | 260.95 | 5,219.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Grand Total : | | | 251,825.00 | | | 201,439.00 | 10,071.95 | 77,012.00 | 3,850.60 | 201,439.00 | 0.00 | 124,427.00 | 6,221.35 | 118,205.65 | 50,388.00 |

Final Total : 118,205.65

TO: Rail Crossings, LLC
One East Center Street
Provo, Ut 84606

FROM:

WHEELER ELECTRIC, INC.
Company
PO Box 2173
Address
Idaho Falls, Idaho 83403
City State ZIP

PROJECT: Yellowstone & Flandro Signal

PAY REQUEST # 11316 (Attach to "Application for Payment")

CONDITIONAL RELEASE

The undersigned does hereby release all mechanic's lien, stop notice, equitable lien and labor and material bond rights against the above described labor services, etc., purchased, acquired or furnished by or for us and use on above premises up to and including (date) 3/16/07. This release is for the benefit of, and may be relied upon by the owner, the prime contractor, the construction lender and the principal and surety on any labor and material bond. Subcontractor verifies that all materials, supplies, equipment and labor for which payment is being applied for has been incurred on the above referenced project.

This release is CONDITIONAL, and shall be effective only upon payment to the undersigned in the sum of \$ 118,205.65. If the payment is by check, this release is effective only when check is paid by the bank upon which it is drawn.

FIRM NAME Wheeler Electric, Inc Date 3/16/07

BY Douglas R Wheeler Douglas R Wheeler
Authorized Signature Print Name

FULL RELEASE

The undersigned has been paid in FULL for all labor, subcontract work, equipment and materials supplied to the above described project, and hereby releases all mechanic's liens, stop notice, equitable lien and labor and material bond rights against the project for all materials, supplies, labor, services, etc., purchased, acquired or furnished by or for us and used on the above premises, up to and including (date) _____ in the amount of \$ _____.

This release is for the benefit of and may be relied upon by the owner, prime contractor, the construction lender and the principal and surety on any labor and material bond posted for the project. If the payment is by check this release is effective only when check is paid by the bank upon which it is drawn.

FIRM NAME _____ Date _____

BY _____
Authorized Signature Print Name

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 122256

To Owner: Rail Crossings LLC
PEG Development
1 E Center St., Ste 300
Provo, UT 84606

Project: 570006. Rail Crossing

Received: 4.9.07
Approved: RA
Acct #: 15220
Posted: 4.9.07
Paid: _____
Mailed: _____

Application No.: 2

Period To: 3/20/2007

Distribution to:
 Owner
 Architect
 Contractor

From Contractor: Jack B. Parson Companies
P.O. Box 4002
Pocatello, ID 83205

Via Architect:

Project Nos:

Contract For: Rail Crossing

Contract Date: 1/1/2007

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

| | |
|--|--------------|
| 1. Original Contract Sum | \$569,382.20 |
| 2. Net Change By Change Order | \$0.00 |
| 3. Contract Sum To Date | \$569,382.20 |
| 4. Total Completed and Stored To Date | \$12,030.00 |
| 5. Retainage: | |
| a. 5.00% of Completed Work | \$601.50 |
| b. 0.00% of Stored Material | \$0.00 |
| Total Retainage | \$601.50 |
| 6. Total Earned Less Retainage | \$11,428.50 |
| 7. Less Previous Certificates For Payments | \$5,842.50 |
| 8. Current Payment Due | \$5,586.00 |
| 9. Balance To Finish, Plus Retainage | \$557,953.70 |

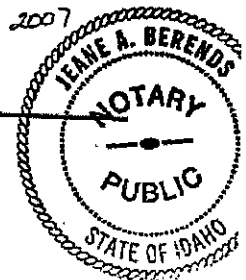
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information, and belief, the work covered by this Application for Payment has been completed in accordance with the Contract Documents. That all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Jack B Parson Companies

By: [Signature] Date: 3/19/07

State of: Idaho
Subscribed and sworn to before me this 19th
Notary Public: Jeanne A. Berends
My Commission expires: 1-29-2013

County of: Bannock
day of March, 2007



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information, and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 5,586.00

(Attach explanation if amount certified is less than the amount applied, initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

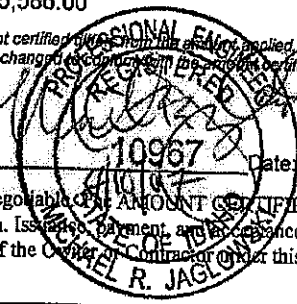
ARCHITECT:

By: [Signature] Date: 4/9/07

Approved: PEG Development
[Signature]
4/9/07

This Certificate is not negotiable. AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment, and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

| CHANGE ORDER SUMMARY | Additions | Deductions |
|--|-----------|------------|
| Total changes approved in previous months by Owner | \$0.00 | \$0.00 |
| Total Approved this Month | \$0.00 | \$0.00 |
| TOTALS | \$0.00 | \$0.00 |
| Net Changes By Change Order | \$0.00 | |



CONTINUATION SHEET

Application and Certification for Payment, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

Application No. : 2

Application Date : 3/19/2007

To: 3/20/2007

Architect's Project No.:

Invoice #: 122256

Contract : 570006. Rail Crossing

| A Item No. | B Description of Work | C Scheduled Value | D Work Completed | | F Materials Presently Stored (Not in D or E) | G Total Completed and Stored To Date (D+E+F) | H % (G / C) | I Balance To Finish (C-G) | J Retainage |
|---------------|---|----------------------|---------------------------------|----------------------|--|--|----------------|------------------------------|----------------|
| | | | From Previous Application (D+E) | This Period In Place | | | | | |
| 1 | Curb And Sidewalk Removal | 5,025.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 5,025.00 | |
| 2 | All Sub Excavation-Concrete Prep As | 12,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 12,000.00 | |
| 3 | Remove Fence Where Required | 6,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 6,000.00 | |
| 4 | Saw Cutting | 9,197.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 9,197.00 | |
| 5 | Install Curb And Gutter | 25,630.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 25,630.00 | |
| 6 | Sidewalk | 23,225.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 23,225.00 | |
| 7 | Concrete Road | 155,138.40 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 155,138.40 | |
| 8 | SDMH Over Existing 36" SD | 12,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 12,900.00 | |
| 9 | Install New Catch Basin And Pipe | 8,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 8,700.00 | |
| 10 | Adjust Existing Manholes To Grade | 2,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,250.00 | |
| 11 | Install New Drop Inlet | 10,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 10,200.00 | |
| 12 | Protection Around Existing Storm Drain | 150.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 150.00 | |
| 13 | West Side Electrical Work/Relocates | 12,300.00 | 6,150.00 | 1,230.00 | 0.00 | 7,380.00 | 60.00% | 4,920.00 | |
| 14 | Relocate All Signs As Required West | 2,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,600.00 | |
| 15 | West Side Traffic Control | 51,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 51,000.00 | |
| 16 | West Side Landscape | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 600.00 | |
| 17 | Mobilization | 11,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 11,000.00 | |
| 18 | Relocate Fire Hydrant And Pipe | 2,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,900.00 | |
| 19 | Place Solid Lids Over Inlets (Existing) | 3,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 3,600.00 | |
| 20 | Inlet Protection From Sediment | 150.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 150.00 | |
| 21 | Asphalt Removal And Replace | 1,760.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 1,760.00 | |
| 22 | Curb And Sidewalk Removal | 2,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,000.00 | |
| 23 | Sub Excavation-Concrete Prep | 4,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 4,300.00 | |
| 24 | Saw Cutting | 3,570.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 3,570.00 | |
| 25 | Install Curb And Gutter | 8,890.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 8,890.80 | |
| 26 | Sidewalk | 7,791.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 7,791.00 | |
| 27 | Concrete Road | 47,385.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 47,385.00 | |
| 28 | Place Solid Lids Over Existing Inlets. | 1,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 1,300.00 | |
| 29 | Install New Drop Inlet Box And Requir | 4,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 4,400.00 | |
| 30 | Provide Protection Around Existing Str | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 600.00 | |
| 31 | East Side Electrical Work/Relocates | 5,500.00 | 0.00 | 2,750.00 | 0.00 | 2,750.00 | 50.00% | 2,750.00 | |
| 32 | Relocate All Signs As Required East S | 3,800.00 | 0.00 | 1,900.00 | 0.00 | 1,900.00 | 50.00% | 1,900.00 | |

CONTINUATION SHEET

Application and Certification for Payment, containing Contractor's signed certification is attached.

Application No. : 2

In tabulations below, amounts are stated to the nearest dollar.

Application Date : 3/19/2007

Use Column I on Contracts where variable retainage for line items may apply.

To: 3/20/2007

Architect's Project No.:

Invoice #: 122256

Contract : 570006. Rail Crossing

| A Item No. | B Description of Work | C Scheduled Value | D E Work Completed | | F Materials Presently Stored (Not in D or E) | G Total Completed and Stored To Date (D+E+F) | H % (G / C) | I Balance To Finish (C-G) | Retainage |
|---------------------|---|----------------------|---------------------------------|----------------------|--|--|----------------|------------------------------|---------------|
| | | | From Previous Application (D+E) | This Period In Place | | | | | |
| 33 | East Side Traffic Control | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 30,000.00 | |
| 34 | East Side Landscape | 13,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 13,800.00 | |
| 35 | Mobilization | 19,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 19,000.00 | |
| 36 | Rebuild Existing Driveway And Curb | 6,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 6,000.00 | |
| 37 | Relocate Existing Street Light East Sic | 2,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,500.00 | |
| 38 | Inlet Protection From Sediment | 600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 600.00 | |
| 39 | Driveway Approach | 2,520.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 2,520.00 | |
| 40 | Concrete Increase For Fly Ash Change | 3,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 3,800.00 | |
| 41 | Blanket And Cover Labor To Take Off | 10,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 10,500.00 | |
| 42 | Ground Heater For 2 Months | 28,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 28,500.00 | |
| 43 | Accelerator And Hot Water | 6,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% | 6,300.00 | |
| Grand Totals | | 569,382.20 | 6,150.00 | 5,880.00 | 0.00 | 12,030.00 | 2.11% | 557,352.20 | 601.50 |

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned, Jack B Parson Companies has provided material or services for PEG Development, LLC contract or purchase order agreement for the following project:

Rail Crossing

NOW THEREFORE, BE IT KNOWN, that the above named subcontractor or supplier for and in consideration of the payment of the sum of \$5,586.00, and other, good and valuable considerations, does hereby waive and relinquish any and all liens, claims or right of lien on or at any time before March 20, 2007, on said above described building, structure or any other improvements of the owner, or in behalf of the subcontractors, mechanics, journeymen, laborers, materialmen, or persons performing labor upon or furnishing materials, supplies or equipment for such property or improvements of the owner, on account of labor or materials or both, furnished by, for or on behalf of the undersigned or on account of the aforesaid.

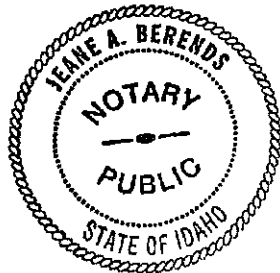
Given under his hand this 19th day of March, 2007.

BY: Chuck Lindsay

STATE OF Idaho

COUNTY OF Bannock

On this 19th day of MARCH, 2007, personally appeared Chuck Lindsay who being duly sworn, did say that he/she is the V.P./General Manager and that the foregoing instrument was signed on behalf of said corporation by authority of its Bylaws or resolution of its Board of Directors, and said officer acknowledged to me that said corporation executed the same.



Jeanne A. Berends
NOTARY PUBLIC

Great Western Malting Co.

P.O. Box 1529
Vancouver, WA 98668-1529
360-693-3661 • Fax: 360-905-3378

REC'D APR 16 2007

April 11, 2007

The Honorable Mayor Chase
Office of the Mayor
City Of Pocatello
PO Box 4169
Pocatello, ID 83205

Dear Mayor Chase,

Greg Friberg, Amy Mercy and I appreciated your visit and our meeting at the Great Western Malting Co. (GWM) plant located in Pocatello. We covered many issues related to the future of our plant and potential new industrial neighbors. One of the immediate needs discussed at that meeting was the extension of Kraft Road onto the property located to the West of the GWM plant.

Great Western Malting Co. (GWM) is willing to enter into negotiations with the City of Pocatello (City) to allow Kraft Road to be extended to the "Hoku" property under the following general points which will serve as the framework for the agreement between GWM and the City:

1. Any agreement is subject to review and approval by the Board of Directors of United Malt Holdings.
2. The road must be a public road both through the GWM & Hoku property to allow unfettered access to both facilities. There will be no private or public agreements and or controls that would prevent this unfettered access on either the GWM or the Hoku section of the road today or in the future. Heavy truck access to the GWM site either from Garrett Way (Hoku side of Kraft) and North Main Street (GWM side of Kraft Road) is to be guaranteed today and into the future by the City.
3. Road maintenance on the present and future extension of Kraft Road (assuming the road will be called Kraft) will be the sole responsibility of the city today and into the future.
4. The road must be designed with curb cuts and gates that meet the requirements of the plant for GWM access.
5. GWM has the right to use the road to access the GWM property at new locations in the future if needed.
6. The road must be wide enough to allow inbound trucks to park at night while waiting for GWM to open the plant gates in the morning.
7. The city will construct a security/privacy fence between the subject property and GWM.
8. The property has a number of public and private easements which will remain.
9. GWM has the right for future easements under, over or along the subject property at no cost to GWM.
10. If the construction of the road impacts any of GWM services, infrastructures or buildings the city at no cost to GWM will relocate those impacted items at no cost to GWM.
11. The city will trade the small triangle shaped city owned land located at the NW corner of GWM for a like amount of the subject property. The city agree to actively support GWM in GWM's efforts to reach an agreement with the Union Pacific Rail Road (UPRR) for sale or lease of the UPRR located to the west of the triangle property for the use by GWM for rail track and railcar storage.

12. The city will pay GWM a mutually agreed "going rate" for industrial property in the area for the remaining property after the trade of the "triangle" property.
13. The transferred land can only be used for road, utility and greenway uses. Any other use of the land must have GWM's written approval.
14. The city will pay all GWM's associated costs driven by this transfer. GWM will bear none of the road, greenway or any other costs associated with the transfer and development of the land.
15. GWM makes no warranties or guarantees for the GWM land being proposed to be sold to the city and the land is sold as is.

We look forward to further discussing the potential road and the other development issues related to both Hoku's and GWM's future in the City of Pocatello. If you have any questions please feel free to contact me.

Sincerely,



Jay Hamachek
Director of North American Business Development
Great Western Malting Co.

Desk: 360-699-6785
Cell: 360-600-1967
e-mail: jay.hamachek@greatwesternmalting.com

APR 02 2007



CAPITAL CITY DEVELOPMENT CORP.

March 16, 2007

Mayor Roger Chase
City of Pocatello
PO Box 4169
Pocatello, ID 83205

Dear Mayor Chase:

The statutes under which we operate require that we submit a report to the Boise City Council each year that details our activities and financial performance from the previous year.

We have also elected to use this requirement as an opportunity to share our results with a broad audience having an interest in the Agency or in downtown Boise in general.

We hope you will find the enclosed Capital City Development Corporation Annual Report useful and informative.

For additional information, please visit our web page at www.ccdcboise.com.

Thank you for your continued interest in downtown Boise.

Sincerely,

Phillip K. Kushlan
Executive Director

805 W. Idaho St., Suite #403
Boise, Idaho 83702
P.O. Box 987 (83701)
phone. 208-384-4264
fax. 208-384-4267
www.ccdcboise.com



Capital City Development Corporation
2006 Annual Report

To: CCDC Board of Commissioners
Boise Mayor and Council
From: Cheryl Larabee, Chair, CCDC Board of Commissioners
Phil Kushlan, CCDC Executive Director
Re: Annual Report for Calendar Year 2006
Date: March 12, 2007

It is a pleasure to present this annual report of the activities of the Capital City Development Corporation for 2006. The renaissance of downtown Boise continues and CCDC, as the city's redevelopment agency, retains a vital role. Among the year's top stories again is the nearly complete BoDo development, which with CCDC participation has brought a remarkable transformation to the lower part of downtown. The largest tenant, Hampton Inn Suites, opened its 186-room hotel in February 2007. The hotel rises above the Myrtle Street Garage, now owned by CCDC, which opened last March with 362 new parking spaces. Another big story this year was the process undertaken to turn an agency-owned property at the corner of 9th and River streets into a cornerstone catalyst development for the city's Cultural District. The open call for qualified developer interest led to an innovative design that includes over 200 condominiums, certain to bring a great deal of new life to the area. Elsewhere the private sector is responding to the agency's commitment to increasing downtown housing opportunities, with another 600 units in planning or under construction. CCDC's Workforce Housing Task Force met during the year and brought forward a number of recommendations to help make it possible for members of this important sector of the city's population to live downtown. The agency's ongoing search for outside resources to help with the work has met with recent success: two grants from the Environmental Protection Agency are helping with brownfield redevelopment, two grants from the Community Development Block Grant program will help with removing streetscape barriers for persons with disabilities, and an award from the Idaho Transportation Department will give a major boost to the Pioneer Corridor project. Perhaps the year's best news was an end to the Boise Tower dispute and the beginning of a new chapter in the redevelopment of the last undeveloped parcel in the city's original urban renewal district. The property has been sold to a new developer with a bold vision for a signature building; it has received design review approval from the city and should start construction later this year. These and other highlights of agency activities for the year, along with a summary of the financial audit report, appear in the pages that follow.

CCDC continues to meet the challenges of downtown redevelopment with a committed board of commissioners and a dedicated staff. A new member of the board this year is Alan Shealy, a financial consultant and member of the Boise City Council. The board re-elected the slate of officers from last year, and I will continue to serve as the board chair, Chuck Hedemark as vice-chair and Dale Krick as secretary-treasurer. The officers and the board look forward to implementing measures from the CCDC Strategic Plan adopted this year. The plan, along with other strategy documents and agency publications, are available online or in printed form at the CCDC office. If we can provide more detail on these or other aspects of CCDC's work please get in touch. We encourage those interested to visit the Web site (www.ccdcboise.com) or contact us at the address on page 4.

Cover photo: Artist Noble Hardesty at work at an 8th Street event.

Table of Contents

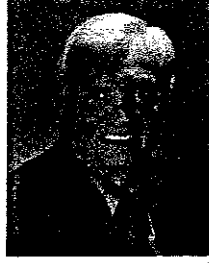
| | |
|-----------|---------------------------------------|
| 5 | Leadership |
| 6 | 2006 Highlights |
| 9 | Partnerships & Initiatives |
| 18 | Downtown Investments |
| 20 | Development Review |
| 23 | Parking and Facilities |
| 25 | Financial Report |



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805 W. Idaho St., Ste. 403
Boise, ID 83702
Tel. 208-484-4264
www.ccdcboise.com

Leadership

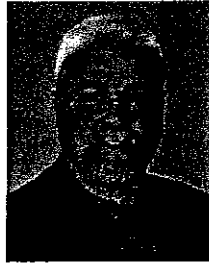
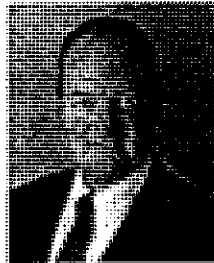
The Capital City Development Corporation Board of Commissioners generally holds regular meetings on the second Monday of every month and work sessions on the fourth Monday. Meetings are held in the CCDC conference room, on the fourth floor at 805 W. Idaho St. in Boise. All meetings are open to the public and meeting agendas are posted on the agency Web site at www.ccdcboise.com. Commissioners are pictured here along with their term expiration dates and e-mail addresses.



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2006 Highlights

BoDo Update; Myrtle Street Garage

Downtown's most exciting new development is beginning to settle in. In its second year, the BoDo development south of Front Street has completed the transformation of the four-block area formerly called the Eighth Street Marketplace. The new mixed-use project



BoDo continues to draw new visitors into downtown Boise.

brought another 53,830 square feet of office condominiums, 135,204 square feet of retail space and the nine-screen Edwards cinema to the existing retail and office buildings in the South Eighth Street Historic District. Several new office tenants have moved in, along with national retailers like Office Depot, Levi's and Harley-Davidson, and local businesses such as the 8th Street Wine Company and the Idaho Trust National Bank. The largest new neighbor is the Hampton Inn Suites, an 11-floor, 186-room hotel, which opened in February of 2007. The adjacent 362-space Myrtle Street parking garage, at the corner of Myrtle and Capitol

Boulevard, opened last March. BoDo's variety of shops and offices, open plaza space, outdoor cafés and programmed activities, calm streets and pedestrian-friendly design have drawn large numbers of shoppers and visitors. Parking traffic in the City Centre Garage increased over 46%

from the year before.

All this activity has helped banish the perception that Front and Myrtle streets are barriers to pedestrian movement.

BoDo has helped banish the perception that Front and Myrtle streets are barriers to pedestrian movement.

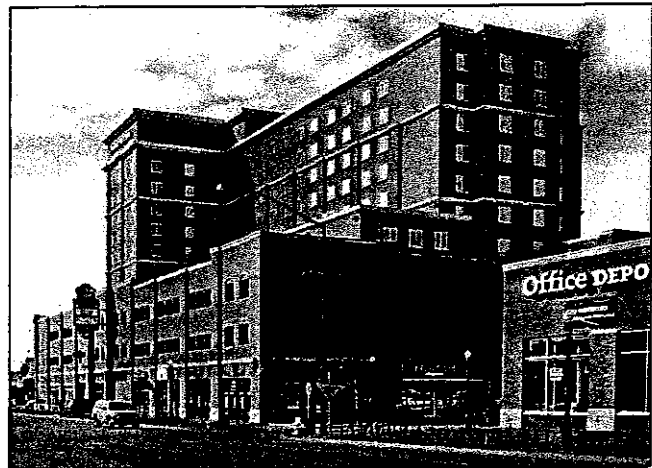
Private investment in the BoDo project is expected to total more than \$60 million. CCDC participated through purchase of the nearly \$6 million Myrtle Street Garage and \$1.5 million for streetscape improvements. CCDC manages the Myrtle Street Garage as a public parking facility serving BoDo and nearby areas as well as the hotel. The CCDC garage commitment was critical to the BoDo development, creating the financial leverage necessary for the private sector to step up.

The CCDC garage commitment was critical to the BoDo development, creating necessary financial leverage.

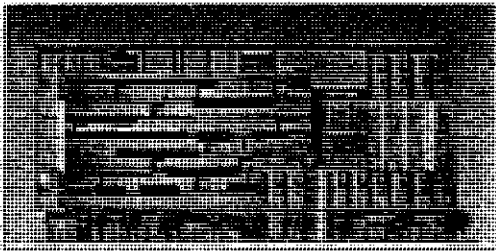
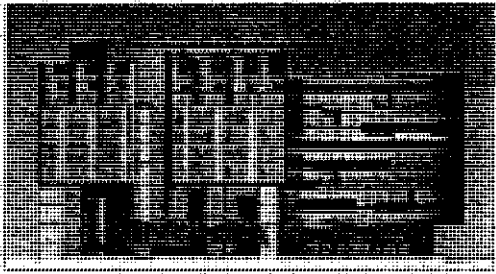
Parking District Expansion

CCDC builds and operates parking garages to help reduce the need for surface parking lots, allowing more land to be used for buildings or open space. This increase in density also creates a more pedestrian-friendly environment: people can park once downtown and walk to many destinations. For this reason the city of Boise has reduced or eliminated onsite parking requirements in downtown zones and as new garages are built, these zones have been expanded. With the construction of the Myrtle Street Garage, CCDC worked with the city to expand the zones, eliminating the parking requirement in about 17 blocks and reducing the requirement in about seven others. A map of the zones and parking requirements for typical buildings are available at the CCDC Web site or the office.

Hampton Inn Suites and the Myrtle Street Garage at Capitol Boulevard.



620 S. 9th



One of CCDC's most important roles is to serve as a catalyst in the real-estate market, and this year the agency used a key property to attract development attention to a moribund section of downtown. The property, currently an empty warehouse on just over an acre on River Street, between 8th and 9th streets, presents an excellent development opportunity at the southern end of Boise's Cultural District. CCDC used a request for qualifications/proposals process to identify a seasoned results-oriented development team. The RFQ/P format allowed the agency

to specify critical project parameters, like goals for workforce housing and building performance, while looking to the teams to provide an

innovative design solution. In February 2007 the agency chose a design presented by the Brix/Bodo South team, headed by the developer of the BoDo project, along with GGLO Architects of Seattle, and will pursue a disposition and development agreement. It is expected that the project will deliver over 200 condomini-

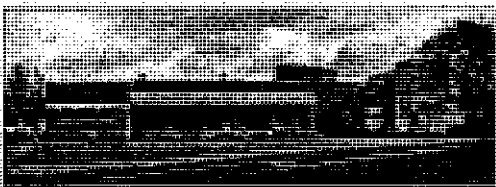
The RFQ/P format allowed the agency to specify critical project parameters.

ums, 40 of them in the "workforce" price range, along with retail space on the ground floor. The project should be very successful, thanks to its excellent location near cultural facilities, parks, library, Boise State

University, river and greenbelt; its exciting design and its expected LEED-Silver environmental performance rating.

A success here will be a catalyst for a new Fulton Street neighborhood, and bring new life to this part of downtown.

Renderings of the west and south elevations of the proposed project (above) and the property as it appears today (below).



Partnerships & Initiatives

Urban Housing Initiative

For several years the agency has made increasing the supply of downtown housing options one of its highest priorities, and this year the commitment is beginning to bear fruit. Nearly 600 new residential units are in the pipeline and several projects are underway or approaching completion. CitySide Lofts, a project developed by The Hosac Company, is nearing completion at 13th and Myrtle streets. CitySide consists of 77 condominium units in two phases, the first of which is scheduled for completion in the second quarter of 2007. The project represents the first large-scale downtown residential ownership development in decades, and CCDC contributed with a land writedown and public infrastructure. Not far away from CitySide Lofts are the Grand Avenue Homes under construction at 15th Street and Grand Avenue. This project is being developed by Neighborhood Housing Services, a nonprofit residential assistance agency. The 20 townhome walk-up condominiums are designed as a market-rate development, expected to be completed in the fall of 2007. Prices for the 2- and 3-bedroom condos range from \$197,500 to \$365,000. To the north, at 11th and Main streets, the Royal Plaza condominium project is well underway, with occupancy expected in summer of 2007. Royal Plaza is intended to serve the luxury market, with prices ranging from \$475,000 to \$1.1 million. This project, developed by R.S. Hosac, Inc., is a 7-story, 26-unit brick-faced building with internal parking and retail shops on the ground floor. Several other large residential projects are in various stages of develop-



CitySide Lofts will bring 77 condominiums to the River Street neighborhood.

CCDC's commitment to downtown housing options is beginning to bear fruit.

ment. Two of them are designed as additions to existing CCDC-owned parking garages. Capitol Terrace Apartments is a 94-unit apartment development that would rise above the Capitol Terrace retail condominium on 8th Street between Main and Idaho streets. The Aspen Lofts will add about 70 condominiums between the stair towers of the City Centre Garage on Front Street. Both projects have received city design approval and are working their way through the complexities of building on or adjacent to existing structures.

The number of new residential projects underway is a mark of the progress of CCDC's Downtown Housing Initiative, and is part of a national resurgence of interest in downtown living. But in Boise, as elsewhere, there is growing concern about the broad middle population

There is growing concern about the broad middle population segment whose incomes are too high for federally subsidized housing but too low to afford market prices.

segment whose incomes are too high for federally subsidized housing but too low to afford the market prices of most new development. This group consists of much of the workforce critical to a healthy city—teachers, nurses, fire fighters and other service workers and professionals earning around the median income. The higher land and construction costs associated with development in urban locations has meant that this group is underserved

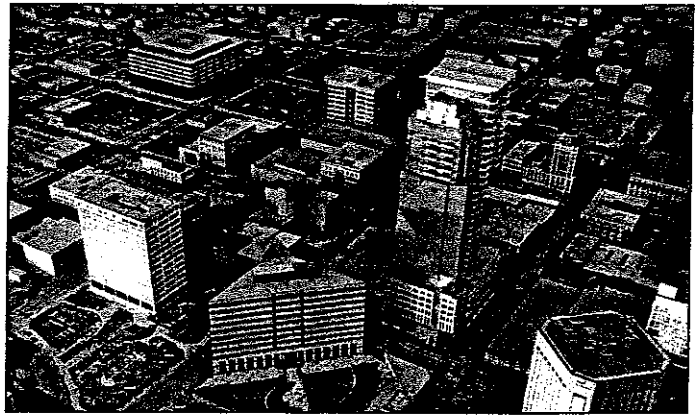
by the market, and forced to find affordable housing increasingly further from downtown. This in turn creates a host of social, environmental and transportation problems.

In order to address the shortage of workforce housing locally, CCDC convened a task force of 22 local city leaders, employers, developers, housing agency staff, workforce representatives and CCDC board and staff members. The task force worked for six months to identify issues related to the shortage of workforce housing in downtown Boise and to provide a set of recommendations. The CCDC Board of Commissioners accepted the task force report at its January 2007 meeting.

Boise Place

The year 2006 brought an end to the Boise Tower dispute that had distracted CCDC and the city for the past several years, clearing the way for a new project at this premier site at the corner of 8th and Main streets. CCDC approved a termination and release of its development agreement with Boise Tower Associates as part of a separate agreement with Charterhouse Realty to purchase and redevelop the property. The new building, called Boise Place, is expected to be a 34-floor, 660,000-square-foot mixed-use project with 2 floors of retail space, a 98-room hotel and at least 138 residential condominiums. The project received design approval from the city in November and construction is expected to begin in mid-2007.

Boise Place is pictured here in CCDC's virtual model of downtown Boise.



Western Planning Conference

In early August more than 300 professional planners from throughout the Intermountain West came to Boise for the joint Western Planning Resources/Idaho Planning Association Conference. The theme for the three-day conference was Shaping Change in the New West, and speakers included Larry Swanson from the Center for the Rocky Mountain West; Dave Siegel, American Planning Association president; and Charles Royer, former Seattle mayor and the current national program director for the Urban Health Initiative. CCDC staff members served on the IPA host conference committee, spoke on a panel on downtown revitalization and conducted mobile tours of the local arts and culture scene.

More than 300 professional planners from throughout the Intermountain West came to Boise.

Valley Transit Study

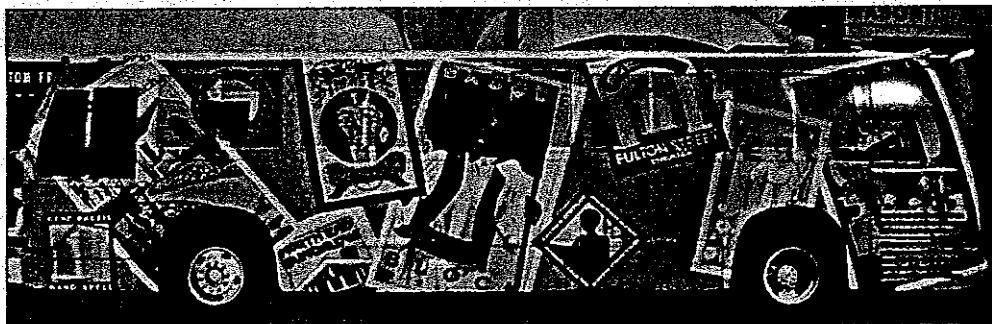
Several years of strong growth in the Boise metro region have had a noticeable impact on the transportation system, and lessening that impact will be the focus of a new initiative known as the Treasure Valley High-Capacity Transit Study. The goal of the study is to encourage more transit-supportive development patterns as well as substantially increase the use of transit as part of an overall strategy to reduce the pressure on the transportation network. The transit study follows on

Among the recommendations was an interconnected, multimodal system of transportation that sustains the character of downtown Boise.

the 2005 Downtown Boise Mobility Study (DBMS), commissioned by CCDC, City of Boise, Ada County Highway District, Idaho Transportation Department, COMPASS, Valley Regional Transit and Boise State University. Among

the recommendations of the DBMS was an interconnected, multimodal system of transportation that sustains the character of downtown Boise and connects it to the larger region. COMPASS and Valley Regional Transit selected URS Corporation to prepare a three-part high-capacity transit study that will include the Downtown Boise Circulator Alternatives Analysis, the Downtown Boise Multimodal Center and the Treasure Valley Priority Corridor Alternatives. Over the next 24 months the study partners will prepare an alternatives analysis and identify preferred alternatives for transportation improvements in downtown Boise and the I-84/I-184 corridor.

Boise's "Art in Transit" bus, a collaboration of Valley Regional Transit and Boise City Arts Commission.



Downtown Design Dialogue

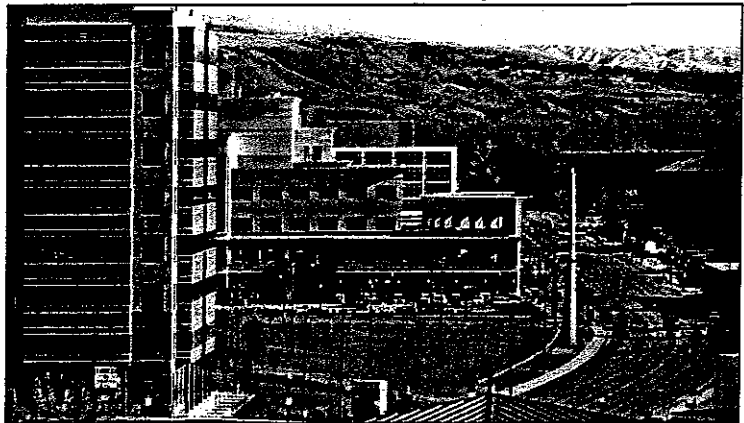
Architecture is one of the aspects of urban life that few are ambivalent about. To encourage the community dialogue on the quality of downtown's urban design and how to improve it, CCDC has been involved in three separate efforts this year. In September the agency co-sponsored a forum produced by the Urban Land Institute Idaho District Council entitled "It's All About Design." Four invited speakers, including Boise's Charles Hummel, FAIA, presented to a large audience of ULI members and interested members of the public. Two of the speakers later participated in a workshop on urban design issues with staff from the City of Boise, CCDC and other agencies.

The agency also began a collaboration with the City of Boise to develop design criteria as a supplement to the city's zoning regulations. The process of developing the criteria includes establishing a common understanding about the elements of good design. These criteria, when adopted, will provide the city with a tool to encourage innovative high-quality architecture.

This summer the agency formed a panel of design experts to provide informal assistance in review of project plans. The Design Advisory Panel consists of local architects Charles Hummel, Ernest Lombard and Tom Allen, and Paddy Tillett, architect and urban design principal of the Portland firm Zimmer Gunsul Frasca. The DAP will advise the agency in its commenting role to the city regarding design review applications. The panel will also advise the agency on the design of any redevelopment projects in which the agency takes a more direct role.

These criteria, when adopted, will provide the city with a tool to encourage high-quality architecture.

Looking east from downtown along Front Street to the foothills.



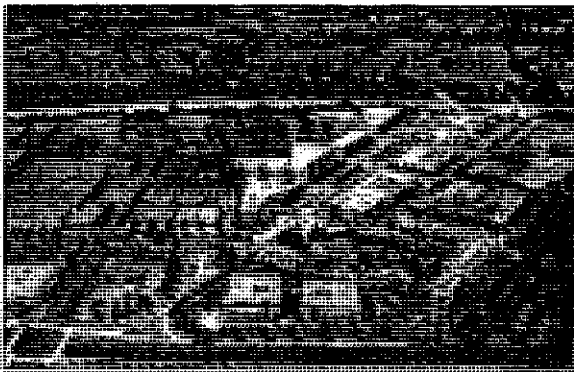
Pioneer Corridor

The Pioneer Corridor project received a major boost in 2006 with a \$500,000 award from the Idaho Transportation Department's Sur-

face Transportation Enhancement Program. This funding will allow CCDC to reconstruct a portion of the historic pedestrian connection between downtown and the Boise River in collaboration with adjacent landowners, utility providers, the city's parks department and other stakeholders. The

The corridor concept envisions an improved bicycle and pedestrian link anchoring new urban-scale mixed-use development in the historic River Street neighborhood.

corridor concept envisions an improved bicycle and pedestrian link anchoring new urban-scale, mixed-use development in the historic River Street neighborhood. The project design team, led by Walker-Macy landscape architects and planners, worked with agency staff and area stakeholders during the year to refine the design and redevelopment options. In the coming year the team will finalize the design and plan for actual construction of a corridor segment.



Aerial rendering of possible Pioneer Corridor redevelopment.



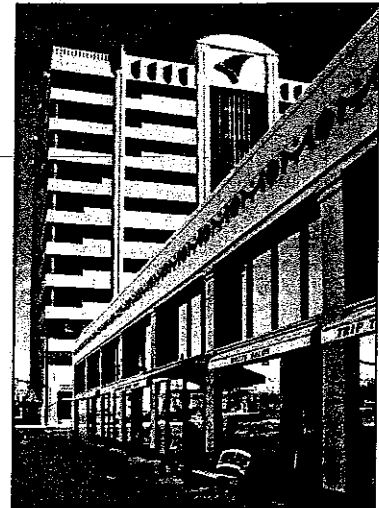
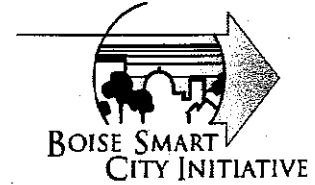
CCDC purchased this property for planned corridor realignment.

When a key property in the corridor design came on the market during the year, CCDC moved to purchase it and to initiate removal of a deteriorated structure there. This action is another example of the agency's commitment to the Pioneer Corridor project and signifies progress for the River Street neighborhood.

Smart City Initiative

The Boise Smart City Initiative, formed by CCDC and the Boise Mayor's Office in 2000, is a project designed to help reinforce the transformation of downtown Boise into the kind of place that is attractive to the mobile and sought-after "knowledge workers" of the new creative economy. The Smart City project remains very much at the heart of the agency's mission and can be seen in the agency's Downtown Housing Initiative and workforce housing emphasis, the brownfield program and the efforts to develop viable transportation alternatives.

CCDC's brownfield program, started in 2004 with a grant from the US Environmental Protection Agency (EPA), received good news last year with the announcement of a second grant. (A brownfield is any property hampered by the presence or the perception of environmental contamination.) The first grant, for assessing possible petroleum contamination in the urban renewal districts, has resulted in an inventory of potential sites and completion of several Phase I and Phase II environmental assessments. The new grant extends the program to include sites with potential challenges that are not petroleum-related, including former railroad and manufacturing properties. CCDC collaborates with the EPA, the Idaho Department of Environmental Quality and downtown landowners and developers to find ways to redevelop these underperforming properties, which in turn takes growth pressure off farmland and open space, and encourages development in a more sustainable pattern. Promoting sustainability is one of the Smart City recommendations, and one measure of sustainability is high-performance or "green" buildings. CCDC has contributed to each of the three buildings in downtown Boise to achieve LEED (Leadership in Energy and Environmental Design) certification by the US Green Building Council: the Ada County Courthouse, the Front 5 Building and the Banner Bank Building. The Banner Bank Building last year earned a LEED Platinum rating, the USGBC's highest certification level. In 2006, as part of its efforts to facilitate sustainable development, CCDC joined the USGBC and the Idaho chapter, and a staff member earned the LEED Accredited Professional designation.



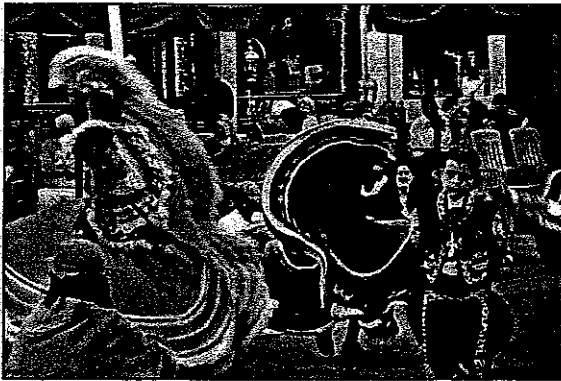
The LEED-CS Platinum-certified Banner Bank Building is an example of the sustainable development recommended by the Smart City Initiative.

CCDC's brownfield consultants conduct an environmental site assessment.



Art & Culture Update

A city's economic vitality is closely correlated to its civic support of the arts, and CCDC's commitment to strategic investments in arts and cultural life helps keep Boise high on most lists of desirable places to live and work. Working in partnership with the Boise City Arts Commission, CCDC continued its support of successful cultural venues



Colorful dancing on CCDC-owned portion of 8th Street.

like Performing Arts at the Saturday Market, Arts for Kids, the Fall for Boise arts and community celebration and the Fulton Street Theater in the Cultural District. Fall for Boise this year added a new signature event to the two-month lineup: Worldfest is a celebration of the wide range of cultural traditions found in Boise, and included food, music and dance from eastern Europe, the Basque country, Korea, India, Mexico and Somalia, among others. Two other signature events cosponsored

by CCDC, Jazz on the Grove and the Collaborations Project, returned for a successful second year. The Fall for Boise opening event, formerly

the City Arts Celebration, was reinvented as City Harvest, a celebration of local food and culture, also with CCDC support. The agency continued its partnership with Boise State University and the Gene Harris Jazz Festival, held in memory of the great jazz artist who made Boise his home. The festival includes Club Night, with live jazz in clubs all over

downtown, and two evening events in the Qwest Arena on the Grove.

A highlight of the year was the 10th Anniversary of the Visual Arts Chronicle, a collection of visual and literary works purchased and curated by the city of Boise and displayed in public locations downtown. As a regular contributor to the collection, CCDC has a number of works on display in its lobby and conference rooms. The 10th Anniversary show, held in the Boise Centre on the Grove in February, was the first time all 80 works have been displayed at once.

A city's economic vitality is closely correlated to its civic support of the arts.

Arts for Kids during City Harvest.



14th St. Neighborhood

At the west end of downtown is the 14th Street Neighborhood, an area envisioned as a prime mixed-use residential neighborhood in the Westside Downtown Urban Renewal District master plan. In June, CCDC brought in a consultant team to help create a design and development strategy for the neighborhood. The team held a series of interviews with property owners and business people followed by a three-day workshop attended by over 50 participants.

Westside has recently begun to attract interest from developers, and the area is seeing rising land prices, speculative buying and development projects in various stages of planning and execution. Several successful business owners wishing to stay in the area have expressed a need for more space. Reinvestment in the area is trending upward. In the past few years CCDC purchased two key properties at the southwest corner of 14th and Idaho streets, the Boise Heating and Air Conditioning Building and the former Elliot's Tavern, in order to help catalyze future development in the neighborhood. These properties are seen as forming a cornerstone in a new 14th St. commercial district between Idaho and Grove streets.

Workshop participants and the consultant team explored the strategies and tactics needed to address current challenges such as parking, rundown infrastructure and vandalism and how to create a vibrant in-town neighborhood at the west end of downtown. The workshop identified what public improvements are needed, where to create public spaces that would anchor a new neighborhood and how to solve parking concerns. A final report from the workshop will be released in the spring of 2007 and available on the CCDC Web site or at the office.

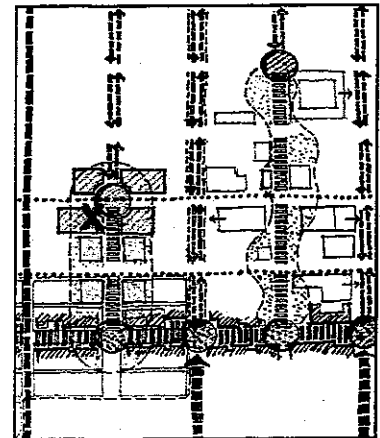


Participants in the 14th St. Neighborhood workshop tour the area.

The workshop explored the strategies and tactics needed to create a vibrant in-town neighborhood.



The Boise Heating and Air Conditioning Building, above, is marked with the red "X" in the workshop sketch below. The suggested 14th St. commercial district is shown in yellow.



Downtown Investments

Linen District



Linen District streetscape on Grove Street.

The Linen District continues its emergence as a new urban place with an eclectic collection of creative enterprises and retail businesses. Named for the flagship historic American Linen Building at the corner of 14th and Grove streets, the Linen District is the inspiration of local developer David Hale. Redevelopment of the Linen Building continues, and this year Big City Coffee opened next door, joining Donnie Mac's restaurant, the Second Chance recycled building materials center, the Visual Arts Center gallery and other recently opened businesses. Across the street from the Linen Building a transformation of the former Travelodge motel into The Modern hotel is well underway. CCDC contributed \$20,000 in 2006 toward streetscape improvements on Grove and 14th streets.

600 Block Idaho Street

New streetscape and Old Spaghetti Factory under construction.



The Capitol Lithograph Building on Idaho Street between 6th and Capitol originated as a bowling alley and is gaining a new life as a home for the Old Spaghetti Factory national restaurant chain, expected to open in May. Local developer Pinnacle Holdings is redeveloping the landmark building along with installing the streetscape to allow for outdoor dining. The streetscape project, including dry-laid brick pavers, trees, bike racks and historic streetlights, is estimated to cost up to \$150,000. CCDC contributed \$48,000 in the form of a grant due in 2009, professional design services by Jensen Belts Associates and project advocacy. The City of Boise agreed to the loss of three metered parking spaces in exchange for the wider, upgraded sidewalk. This is a true private-public partnership: the private building renovation would not happen without the public streetscape commitment, and the improved public streetscape would not happen without the building renovation.

Sign Code Amendment

A downtown streetscape is a complicated environment, accommodating pedestrians, furnishings such as trees and benches, and storefronts, cafés and other businesses. Many downtown merchants have made use of portable free-standing signs for advertising, but until recently Boise's sign regulations prohibited them in the street right-of-way, which includes the downtown sidewalks. In order to allow free-standing signs for businesses, but to manage their size and placement, CCDC teamed with the Downtown Boise Association to draft and propose an amendment to the Boise sign code. Approved by the Boise City Council in November, the new sign code allows portable signs in the C-5 downtown zone, and sets standards for their placement, size and number. Generally a ground-floor business is now allowed to place one portable sign (up to seven square feet in size) in the furnishing zone near its entrance. The new standards give the city a useful tool to protect the public welfare from improper and unsafe placement and they give CCDC and DBA a way to provide consistent sign guidance to downtown merchants.

The new standards provide consistent sign guidance to merchants.

Leku Ona

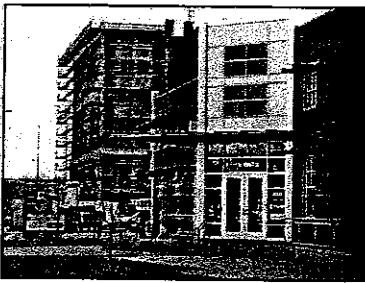
Leku Ona, the former Basque boarding house on the northwest corner of Grove and 6th streets, has become one of the key businesses on Boise's successful Basque Block. The restaurant/hotel, which opened in 2005 with a streetscape improvement grant from CCDC, last year initiated further streetscape improvements to allow for outdoor patio dining on the Grove Street side of the Block. CCDC served as facilitator and advocate for the project, getting ACHD approval to modify the license agreement for the Basque Block. In addition to the general approval of the Basque Block property owners, the modification required approval from Boise City's parking office to remove one parking space. CCDC also played a role in getting Community Forestry's approval to remove and replace two trees on Grove Street. These relatively minor but complicated modifications will enhance the Basque Block, one of Boise's most successful public/private partnerships.

Leku Ona added streetscape improvements in 2006.



Development Review

CCDC receives referrals from the City of Boise on development applications, including applications for design review, zone changes, conditional use permits and variances proposed in downtown Boise's urban renewal districts and code and policy changes affecting downtown Boise. CCDC evaluates how these projects and policy decisions conform to urban renewal plans and makes recommendations, including conditions of approval, to apply to specific projects.



Idaho Independent Bank under construction behind the Front 5 Building.

In 2006 CCDC commented to the city on 35 development applications, and on 35 new sign applications, the second year in a row of substantial development activity. Several of these were for new buildings and other significant projects as listed below.

River Myrtle—Old Boise District

- 8th Street Wine Co., BoDo; historic design review; outdoor dining patios along Broad Street and alley on west side (former Milford's).
- Chandlers Restaurant/Rex Chandler; design review; interior and exterior remodel of restaurant space at Statehouse Inn, now Hotel 43; restaurant entry, dining patio, new façade, changes to landscaping.
- Shiloh Development/The Paradigm Building; design review; design modifications, height of parapet and mechanical screen wall, cap and windows over entrance; planter wall; screen fence; concrete block finish.
- Old Spaghetti Factory; historic preservation, design review; substantial façade remodel including new window system, entries, trim on parapet, awnings and streetscape.

CCDC commented to the city on 35 development applications, and on 35 new sign applications, the second year in a row of substantial development activity.

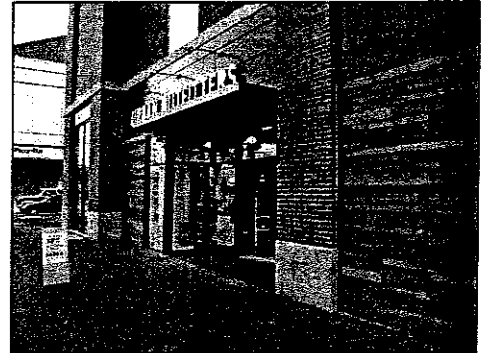
- Urban Outfitters, Brian Yoshima, architect, BoDo; design review, zoning certificate; façade with window system, redwood siding, metal panel fascia.
- Levi's Store, BoDo; design review, facade with new base, window, canopies, paint.
- White House Black Market, BoDo; zoning certificate/design review, awnings.

Central District

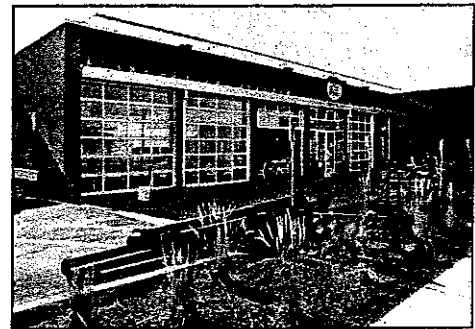
- See Jane Run; design review, staff level; replace existing storefront door and windows with new awnings, paint and tiles.
- Bank of the West/BRS Architects; design review, staff level and appeal; replace nine linear feet of storefront windows with ATM and related equipment, includes equipment and spandrel glass.

Westside District

- Hale Development/Linen District; design review; change to exterior railings of the Linen Building, improvements to existing building including new parking area, exterior and interior façade improvements, paving for parking in rear, sidewalk improvements.
- Donnie Mac's/Linen District; design review comment, zoning certificate; cut off one side of trailer, attach "trailer façade" to building wall as a design element and sign, install four-season awnings of black garden mesh over the outdoor dining and motorcycle parking area at the front of the building.
- Muse Studios; zoning certificate/design review for film production offices; add windows to alley side of building.
- 1010 Jefferson LLC/submitted by Lombard-Conrad Architects; design review, zoning certificate; exterior resurface of building with 3-tone synthetic stucco (brown, bronze, and sandstone colors).
- Interfaith Alliance dba The Sanctuary; CUP for temporary emergency homeless shelter; in existing office building to remain through end of March.
- Calvary First Assembly of God Church; design review; renovation of two vacant lots.



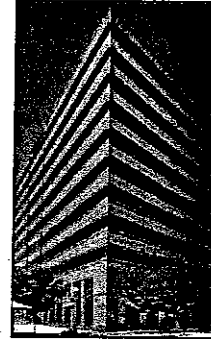
Urban Outfitters opened recently in BoDo.



Donnie Mac's eatery in the Linen District.

Business Strategy Scorecard

As the agency charged with downtown revitalization, CCDC recognizes the need for both a long-term strategic plan and a specific, action-oriented business strategy to guide decisions on the use of public resources in its work. The 2004 CCDC Business Strategy establishes specific targets for housing, office, retail and hotel development within the urban renewal districts. This scorecard lists accomplishments in the first two years of the strategy. The complete business strategy document is available at the CCDC office or online at www.ccdcboise.com.



| CCDC Business Strategy Scorecard - 2006 | | | | | |
|--|--------------------------------|----------------|----------------|---|-----------------------------|
| Land Use | 10-Year Baseline Targets | Completed 2005 | Completed 2006 | Percent of Target Completed by Year End 2006 | Projects in the Pipeline |
| | 2005-2015 | | | | |
| Office Projects (in square feet) | 800,000 | | | | |
| Plaza 121 SWC of 9th & Idaho* | | 3,000 | | | |
| Front 5 NWC of 8th & Broad* | | 16,741 | | | |
| 11th and Myrtle Center SWC of 11th & Myrtle | | 24,500 | | | |
| BoDo Blocks between Myrtle, Front, 9th & Capitol | | 53,830 | | | |
| Banner Bank Building NEC of 10th & Bannock | | | 170,425 | | |
| Ada County Justice Center 417 S. 6th* | | | 12,254 | | |
| Idaho Independent Bank NEC of 5th & Broad ** | | | | | 70,485 |
| Metropolitan Between 15th & 16th, Idaho & Bannock | | | | | 18,000 |
| Aspen South of Front between 8th & 9th | | | | | 5,609 |
| Sustainable Community No. 1 | | | | | 73,000 |
| Total New Office Square Footage | | 98,071 | 182,679 | 36.1% | 167,094 |
| Apartment Projects (in units) | 800 | | | | |
| Civic Plaza Apts*** (190 & 252 E. Front) | | 299 | | | |
| Capitol Terrace Apts East of 8th between Idaho & Main | | | | | 94 |
| Total New Apt Units | | 299 | 0 | 0% | 94 |
| Condominium Projects (in units) | 660 | | | | |
| Gem Building NEC of 10th & Idaho** | | | | | 9 |
| Cityside Lofts SEC of 13th & Myrtle** | | | | | 77 |
| Paradigm SEC of 8th & Broad | | | | | 32 |
| The Jefferson SEC of 4th & Jefferson | | | | | 42 |
| Metropolitan Between 15th & 16th, Idaho & Bannock | | | | | 86 |
| Aspen Front Street between 8th and 9th | | | | | 70 |
| Royal Plaza NWC of 11th & Main ** | | | | | 26 |
| 417 S. 8th St.** | | | | | 8 |
| O.W. Smith Building 419 S. 8th St. ** | | | | | 11 |
| Grand Avenue Homes ** | | | | | 20 |
| Sustainable Community No. 1 | | | | | 100 |
| Boise Place | | | | | 138 |
| Total New Condo Units | | 0 | 0 | 0% | 619 |
| Retail Projects (in square feet) | 200,000 | | | | |
| Plaza 121 SWC of 9th & Idaho | | 3,400 | | | |
| BoDo Blocks between Myrtle, Front, 9th & Capitol | | 135,204 | | | |
| Banner Bank Building NEC of 10th & Bannock | | | 14,665 | | |
| Leku Ona NWC of 8th & Grove* | | | 3,000 | | |
| 417 S. 8th St. ** | | | | | 4,500 |
| O.W. Smith Building 419 S. 8th St. ** | | | | | 4,500 |
| Metropolitan Between 15th & 16th, Idaho & Bannock | | | | | 18,000 |
| Aspen (Kimball) Front Street between 8th and 9th | | | | | 4,409 |
| Royal Plaza NWC of 11th & Main ** | | | | | 6,500 |
| Sustainable Community No. 1 | | | | | 20,000 |
| Total New Retail Square Footage | | 138,604 | 17,665 | 78.1% | 67,909 |
| Hotel Projects (in rooms) | 280 | | | | |
| Hampton Inn & Suites NWC Capitol & Myrtle | | | 186 | | |
| Leku Ona | | 5 | | | |
| Total New Hotel Rooms | | 6 | 186 | 76% | 181 |
| *Remodel vs. new construction | | | | | |
| **Projects under construction at year end 2006. | | | | | |
| ***This project was completed in 2004, the year in which the Business Strategy was adopted. Although the targets are for 2005-2015, the project is counted toward targets given the size of the project and the amount of investment CCDC made to move this project forward. | | | | | |

Parking and Facilities

The Myrtle Street Garage opened in 2006 and brings the number of CCDC-owned garages to nine. The First Hour Free parking program, now in its third year, continues to be successful in attracting more users to the garages in the downtown core. Last year there was a 22% increase in the amount of free parking utilized and a total increase in daily customer visits of nearly 30%. And because most visitors stay longer than an hour, overall parking revenues in the core increased nearly 27%. The true cost of the free hour of parking was \$1.2 million last year, which CCDC underwrites to benefit downtown businesses.

The parking system also assisted downtown businesses by providing discounted parking for a number of community events. An average of 780 customers enjoyed special rates during the downtown First Thursday events. The system again participated in the successful Bronco Shuttle program during football season. And finally, nearly 450 parkers took advantage of free parking on Christmas Eve, a Sunday, to finish up their downtown holiday shopping.

CCDC chooses to contract the operations of its garages with a professional parking company, while retaining management oversight of the parking system. In 2006 the contract expired with the current operator, Republic Parking Northwest. The agency solicited proposals from 10 qualified parking operators; four proposals were submitted. CCDC's selection committee ranked the respondents and Republic Parking Northwest again emerged as the highest ranked firm. A new five-year contract is to be considered by the CCDC board at its March 2007 meeting.

CCDC continues to partner with the Capital City Public Market, the highly successful farmers' and artists' market held every Saturday from April through October. Last year the average number of visitors to the market was over 11,000. In addition to filling the two blocks of 8th Street owned by the agency, the market has expanded into the Grove Plaza during peak season.



Daily customer visits increased nearly 30% in the downtown core.

More than 11,000 people attend the Capital City Public Market every Saturday.



Overall usage of the Grove Plaza, owned and maintained by the agency, itself increased again in the first year following implementation by the CCDC board of a new fee and rental schedule designed to promote activity in the Grove. New booking policies allow for reservation and use of portions of the plaza, and a trial period allows vehicles on the plaza with appropriate brick protection measures. The result has been a marked increase in usage, particularly related to the Saturday market and events spilling over from Qwest Arena and Boise Centre on the Grove.



Chinese dancers perform in the Grove Plaza during the Worldfest celebration.

CCDC's slogan is "building vitality in downtown," and more vitality means more to clean up. To that end the agency contracted with the Downtown Boise Association for an expanded level of Clean Team services in the downtown core, including trash collected and removed from sidewalk

canisters daily and additional services provided on a regular and seasonal basis. The expanded contract is expected to produce an overall maintenance savings of 30%.

The agency owns 8th Street, including the sidewalks, between Bannock and Main streets and several years ago designed a wider sidewalk pattern to create an attractive and vibrant environment for diners and shoppers. In April, the agency adopted streetscape standards for sidewalk use to encourage and manage the activity. Owners of buildings adjacent to 8th Street are granted an annual sidewalk use license and building businesses are granted tenant licenses at minimal charge.

Boise is known as the City of Trees, and these longtime residents give a lot to the city: beauty, cooling shade, noise and pollution control, and pedestrian safety, among other benefits. Yet too often

downtown trees are taken for granted and don't get the care they deserve. To help downtown property owners better understand their responsibilities toward the trees in their adjacent public rights-of-way, CCDC teamed with the Community Forestry Division, Downtown Boise Association and Ada County Highway District to produce a brochure distributed to all downtown property owners and businesses. The team continues to meet to work on a downtown tree planting and replacement guide and other tree-related issues.

"Millennium-trees" create the vibrant atmosphere that helps define and beautify downtown.



Financial Report

Capital City Development Corporation is a local development corporation which operates independently as a component unit of the City of Boise, Idaho. Its primary charge is to facilitate quality development and economic growth in the downtown core through urban planning and design, creation of development infrastructure and public amenities, provision of public parking and other development incentives consistent with principles leading to a vibrant city core.

Toward this goal, the agency operates nine parking facilities, oversees three redevelopment districts comprising 542 acres, owns several redevelopment properties and has numerous financings related to parking facilities and development partnerships. The agency's total outstanding combined debt service (principal and interest) is approximately \$84 million. The agency has currently committed approximately \$1.5 million in outstanding financial participation to selected elements of development projects which facilitate quality development and advance the goals of the agency's urban renewal plans.

CCDC is experiencing positive growth in tax increment and parking revenue resulting from increased development in the downtown core and increased utilization of the parking system. In total, however, revenues declined in 2006 compared with 2005. Revenues for 2005 benefited from a contribution from Ada County as part of the refunding transaction for the County Courthouse bonds that occurred in 2005. If this one-time transaction were adjusted out, 2006 revenues would actually be greater than 2005 revenues.

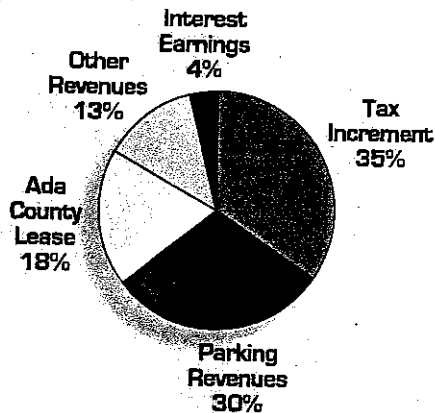
Year to year expenditures may vary significantly with the timing of projects. In 2006, expenditures for streetscape improvement, public amenities and participation in certain elements of quality development increased compared with 2005. Accordingly, agency net assets declined compared with the prior year. Overall expenditures for the parking system also increased, with the addition of the Myrtle Street garage to the system. With these increased expenditures, agency net assets declined compared with the prior year. An agency-wide financial summary follows on the next page, along with graphic presentations of major revenue and expense categories.

CCDC is experiencing positive growth in tax increment and parking revenue resulting from increased development.

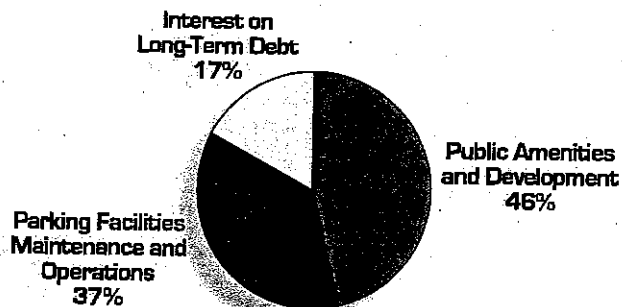
Statement of Activities

| Revenues | Total | | % Change |
|--|----------------------|----------------------|----------------|
| | 2005 | 2006 | 2005-2006 |
| Program Revenue | | | |
| Tax increment revenues | \$ 4,078,668 | \$ 4,458,203 | 9.3% |
| Parking revenues | 3,302,193 | 3,906,129 | 18.3% |
| Ada County Lease (pass through) | 4,343,192 | 2,381,761 | -45.2% |
| Other program revenues | 1,070,188 | 1,713,100 | 60.1% |
| Total Program Revenue | 12,794,241 | 12,459,193 | -2.6% |
| General Revenue | | | |
| Unrestricted Investment Earnings | 321,103 | 496,479 | 54.6% |
| Net Increase in Fair Market Value of Investments | 64,551 | - | -100.0% |
| Total General Revenues | 385,654 | 496,479 | 28.7% |
| Total Revenues | 13,179,895 | 12,955,672 | -1.7% |
| Expenses | | | |
| Public Amenities & Development | 4,623,369 | 6,439,211 | 39.3% |
| Parking Facilities M&O | 4,637,237 | 5,153,482 | 11.1% |
| Interest on Long Term Debt | 3,382,244 | 2,405,927 | -28.9% |
| Total Expenses | 12,642,850 | 13,998,620 | 10.7% |
| Increase (Decrease) in Net Assets | 537,045 | (1,042,948) | -294.2% |
| Net Assets - Beginning, as restated | 11,940,753 | 12,477,798 | 4.5% |
| Net Assets - Ending | \$ 12,477,798 | \$ 11,434,850 | -8.4% |
| Total Assets, as restated | \$108,290,022 | \$107,268,688 | |
| Total Liabilities, as restated | 95,812,224 | 95,833,838 | |
| Net Assets, as restated | \$ 12,477,798 | \$ 11,434,850 | |

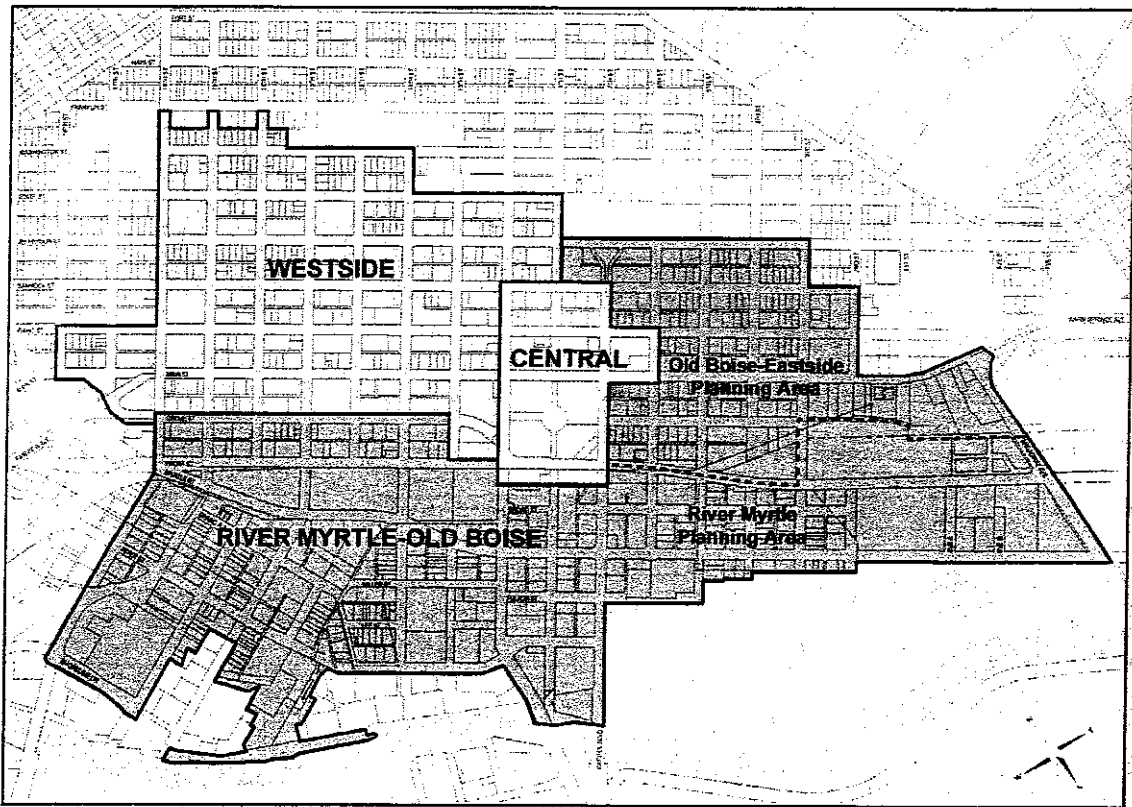
FY 2006 Revenues by Source



FY 2006 Expenses by Type



Boise's urban renewal districts



Related publications

A number of other publications are available from CCDC, online at www.ccdcboise.com/downloads.htm, or in printed form at the office. Examples include the CCDC Strategic Plan, Business Strategy, urban renewal district master plans, maps, policy documents and initiative reports.



CAPITAL CITY DEVELOPMENT CORP.

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Michael Pilla's CCDC-supported stained glass artwork at the 9th & Idaho Building.



"Building vitality in Boise's downtown."