

President's Message: Tom Ryder – JR Simplot Co.

I have the thrill of looking out my office window every day on a Downtown street scene that is the envy of urban planners.

I look out across the grass on the corner of Ninth and Main down to the boarded up corner of Eighth and Main. I see the success of the past and the dreams of the future. Every midday I see hundreds of office workers walking from their buildings to our wonderful restaurants. Every morning I see commuters hurrying from bus stops to places of work and every afternoon they reverse direction.



Tom Ryder

During most of the year the evenings are my favorite time of day Downtown. The hubbub, the vibrancy, the variety and the life in Downtown are unique in Idaho. Our Downtown is the heart of the Treasure Valley; it provides us with our character and our characters. From our own DBA clean team sweeping streets early in the morning to the Big Easy providing entertainment from opera to heavy

metal at all hours, Downtown is what makes Boise our home.

Over the next several years Downtown will become our home in another sense. Residential building is appearing all around us. It will change Downtown for the better.

There will be challenges ahead to accommodate this new population, but there is no doubt in my mind that the Downtown Boise Association headed by Kâren Sander, Geoff Hundt and Morgan Cole will not be satisfied with mere accommodation but will ensure that we add another banner to our streetscape.

Downtown Boise will become not only a place to Enjoy, Hear, Dine, Cheer, Shop and Play, but it will become a place to LIVE – and living in Downtown will be spectacular and special. You can count on it.

I have been humbled to have served this wonderful organization. Its membership is caring, active and provides never-ending suggestions for improvements so that we can realize our hopes and dreams. Thank you and my advice to incoming Board President, Quentin Knipe – enjoy every minute because it only lasts a year.

Highlights of 2006: Kâren Sander – Executive Director, Downtown Boise Association

The City of Boise's biennial "customer satisfaction" survey finds that a large majority of citizens gives downtown Boise positive marks as a place to shop, visit and/or recreate. An even greater number say they feel "reasonably safe" or "very safe" walking alone downtown after dark.



Kâren Sander

The response to this survey is what the incorporators of the Downtown Boise Association envisioned for Downtown when they set out to create the Business Improvement District. The Mission Statement adopted by the Downtown Boise Association on Jan. 13, 1987 was "to develop and promote Downtown Boise as a unique place to shop, work and enjoy; to bring together committed people, creative ideas, public and private resources for the purpose of building an exciting downtown for our capital city."

Much has transpired in the past 20 years that we and the founding members of the DBA can be proud of as we celebrate our "exciting" downtown today. Today we have over 110 retail stores, 90 dining establishments, and 75 retail services in the district. We have clean sidewalks and beautiful flower planters, vibrant sidewalk cafés, an abundance of dining choices, exciting nightlife, and a wide selection of retail and active commercial businesses.

Our skyline has changed with new buildings – the Banner Bank Building, the 9th & Idaho Building, CW Moore Plaza, BoDo, Hampton Inn, to name a few, and they continue to rise. The Banner Bank Building in Boise has been recognized with a LEED® Platinum rating, ranking it among an elite group of office buildings in the world to receive the highest LEED (Leadership in Energy and Environmental Design) rating available from the U.S. Green Building Council.

Downtown Boise is the site of the Qwest Arena, the home of three sports teams – The Idaho Steelheads, The Idaho Stampede and the new Arena Football team, The Boise Burn. We have a successful Convention Center, the Boise Centre on the Grove, which hosts hundreds of events each year. And residential properties are being built as we speak that will be home to our own urban dwellers that will bring a new level of vibrancy to our neighborhood.

We have seen new life breathed into two historic districts – Old Boise and

the South 8th Street Warehouse District. Old Boise has seen a resurgence in dining, retail and nightlife options while maintaining the integrity of the historic feel of Boise's first retail area. BoDo is now 90% occupied with a mix of local and national retailers that has attracted many new visitors to Downtown.

2006 was an exciting time to be a part of Downtown Boise and the future looks even more exciting. We at the DBA are proud to work on behalf of the businesses downtown and are committed to maintaining the mission of keeping Downtown as an attractive, safe and vibrant place to work, shop, live and play.

Cleaning and Beautification

As of July 2006, we were able to double cleaning services in Downtown Boise due to a Memorandum of Understanding between DBA and Capital City Development Corporation combining two service contracts and providing an efficiency level not seen in Downtown before. We now have cleaning crews working seven days a week with a noticeable improvement to the cleanliness on our sidewalks.

From May through October, close to 400 planters are on display throughout Downtown. We continue to work with our contractor researching plantings that survive in a harsh urban climate to ensure that the urban landscape is softened by the beauty of these planters.

Events

DBA-hosted events attract thousands to Downtown each year, and provide opportunities for the DBA to invest in Downtown services and marketing.

Alive After Five Summer Concert Series was 20 years young this past season. With only one rain-out date, the season was a success with over 50,000 people in attendance from June through September. This event provides the DBA with essential funding to support services throughout the year, while also attracting thousands to Downtown every Wednesday during the summer months.

The **Downtown Bronco Shuttle** exceeded our expectations this year with over 2,000 riders per game up from 600 per game last year. The shuttle pro-

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vides parking relief around Boise State University and brings business to Downtown before and after the games. Parking counts were up 45% over 2005 in the parking garages during game days. The shuttle was generously funded through sponsorship from Downtown businesses and Food Services of America.

Jazz on the Grove, a signature event of "Fall for Boise" brought a free evening to thousands to enjoy live quality jazz performances to the Grove Plaza on a beautiful September evening. Co-title sponsors included KNIN-Channel 9 Television, Syringa Bank, Sysco Food Services of Idaho and a number of other generous sponsors who contributed to the festivities.

The **Annual Downtown Zions Bank Tree Lighting Ceremony** took place on the Grove Plaza with one of the largest crowds in recent memory. The tree dazzled Downtown after Mayor Dave Bieter turned on the LED lights generously donated by JR and Esther Simplot. The Giving Tree was an unprecedented success with 3,000 tags taken from the tree. The community rallied and supported the Women & Children's Alliance in helping a record number of families during the holiday season.

Fall for Boise continues to be a successful way to promote the diversity of our rich cultural heritage and community events. Over 30,000 brochures were distributed throughout Idaho promoting the rich arts and community events that Boise has to offer. New events continue to be added to the calendar including the "City Harvest," a celebration of local arts and food. Boise chefs wowed an audience with their menu creations made from local organic produce.

First Thursday presented by Banner Bank continues to attract thousands to Downtown Boise on the first Thursday of each month with artist receptions, retail events and fine dining. While there was uproar about the discontinued distribution of "free" beer & wine, the event is still a mainstay of the traditions of downtown life. Patrons can still get a complimentary glass of wine from the galleries and retailers that now provide beverages "legally" through catering permits and can also enjoy their beverage of choice from the many bars and restaurants Downtown.

Farmers & Merchants Bank & Sysco Food Services of Idaho co-presented **Christmas in the City**, a magical time in the urban heart of our city, a time of celebration, giving and community. For a small donation to the American Cancer Society, over 450 children told Santa their Christmas wishes and had their pictures taken in the front window of Macy's. Shoppers and diners took advantage of the free parking day on Christmas Eve, generously made available by Capital City Development Corporation, Republic Parking, The Car Park, Diamond Parking and Old Boise.

Boise is an event-friendly city and Downtown is host to many community events. The **Capital City Market** attracts over 8,000 people each week to the heart of Downtown Boise. The 2nd Annual Capitol City Cruise organized by Northwest Motorfest brought approximately 10,000 people to Downtown to see classic cars in a controlled cruise over a traditionally quiet 4th of July weekend.

The thrill of fast-moving cyclists brought over 10,000 onlookers out to the **20th Annual Twilight Criterium**, and thousands of women took to the streets for the annual **St. Luke's Women's Fitness Celebration** on a crisp September morning. **Main Street Mile** hosted its 3rd annual event and raised awareness for Prostate Cancer by providing free screenings.

Downtown was the site of the **2006 Bronco Football Team's Recognition Parade**. Thousands lined the streets from Boise State University to the State Capitol Building to cheer on the Tostitos Fiesta Bowl Champions.

Gift Card Program

Over 250 Downtown businesses including the public parking garages accept the **Downtown Gift Card**. The sale of gift cards to the public in 2006 increased 59% from 2005. A total of \$1,237,000 certificates and cards have been sold since the program's inception in 2001, with 100% of the funds going back to the merchants.



Marketing

A new print advertising campaign was launched in early 2006 and includes local talent and Downtown venues promoting Downtown dining, retail and services. Our Web site, www.downtownboise.org continues to be upgraded, providing members with an additional marketing opportunity, as well as business information.

Member Communications

The weekly e-mail communication to the Downtown merchants continues to be a valuable tool in getting the word out to our merchants about "need-to-know information" that impacts their business.

Safety

Through the City of Boise's Neighborhood Reinvestment Program the DBA applied for and was granted funds to install historic street lights on Main, 5th and 6th streets. Twelve lights were installed in early summer of 2006 and provide light in an area that the Boise Police were concerned about for the safety of the many bar and restaurant patrons.

The DBA has and continues to serve on the Mayor's Downtown Safety Taskforce which made tremendous strides towards recommendations for the safety of downtown. The collaboration from Downtown bars and restaurants, Boise Police and City Hall has led to improvements in the safety for Downtown patrons with recommendations that have included server training, vendor and cab relocation, sidewalk café improvements and ADA compliance on sidewalks.

Advocacy

The DBA provides a voice for Downtown businesses at local, regional and state government. The DBA staff and board members serve on many task forces and committees championing the rights/voice of Downtown businesses. This past year we have served on the Coalition for Regional Public Transportation, The Mayor's Downtown Safety Taskforce, The City's Sound Ordinance Task force, Downtown Parking Committee and CCDC's Workforce Housing taskforce.

Economic Development: The DBA in conjunction with the City of Boise Economic Development department and Capital City Development Corporation are developing materials to be used to attract businesses to the downtown area. The data will be made available online for site selectors to search out property locations, vacancy rates and demographic information important in their decision-making process.

shop

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2007- 2011 Initiatives

The DBA Board members and staff worked diligently during 2006 to complete a strategic plan for the next five years. Those initiatives include:

Maintenance & Service

Maintain a safe and attractive Downtown.

Marketing

Market downtown Boise as the destination for shopping, dining, entertainment and living. Develop a vibrant feel for downtown that is alive and full of people.

Events

Maintain events that attract people back into the core during non-working hours, maintain events that support themselves financially, collaborate with groups to host quality downtown events.

Retail Programs

Support and maintain events that bring people into the downtown core for shopping activities.

Economic Development

Attract new and diverse businesses, residents and development to Downtown, while retaining existing businesses and residents.

Business Improvement District Planning

Prepare for the future viability of the Downtown Business Improvement District by providing funding mechanisms that are in line with the ever increasing fiscal responsibilities to maintain a clean, safe and vibrant district

Financial Development

Create new revenue sources to fund the growing need for programs and services.

Human Resources

Attract and retain talented volunteer leadership & executive staff.

Government Affairs & Advocacy

Be an effective voice for our members by addressing downtown issues and challenges and interact with other governmental agencies that have a role in Downtown events. Promote the organization as the primary advocate and voice for Downtown interests.

Communication & Member Involvement

Be a member-driven organization with effective member input and communications systems. Broaden our outreach to other members of the Boise community with an interest in Downtown. Increase member participation and input into the DBA.

Downtown Neighborhood Association

Create a council that reports to the DBA Board of Directors that represents residents of the Downtown Neighborhood to advocate for services necessary to provide for safety, cleanliness, quality of life and development review in the Downtown Boise neighborhood. Create a collaborative forum between the DBA and Residential Council that allows for a common voice for Downtown Boise.

The full Strategic Plan can be seen online at www.downtownboise.org.

Downtown Indicators: Phil Kushlan – Executive Director, Capital City Development Corporation

Downtown Office Projects

Current vacancy within the downtown core is 9.7% or approximately 360,000 square feet. The first significant office expansion in downtown since 1999, the 180,000-square-foot Banner Bank Building, was completed in 2006. Already 85% of the building is occupied or under contract. The Banner Bank Building is LEED-Platinum certified, the 16th in the world to reach this highest level of green certification. The new Idaho Independent Bank Building, to be completed in 2007, will add another 84,000 square feet of office space.

Downtown Retail

The current inventory of retail space in the core of downtown is approximately 716,589 square feet. The current vacant space is approximately 70,000 square feet or 9.8%, a significant improvement over last year's 12.3%. The BoDo development continues to fill up, with a current retail vacancy rate of 8.1%. Since its initial completion in 2006, BoDo has added or leased 125,000 square feet of retail space and another 63,000 square feet of office use, and more than 50 tenants. Also last year Baum Realty of Chicago purchased most of the block north of Idaho Street between 9th and 8th streets and is signing new national and local tenants into this area that had been partly vacant in recent years. New retail space currently under development includes 9,000 square feet in the BoDo area and 6,500 square feet in the Royal Plaza condominium project.



Phil Kushlan

Downtown Hotel Projects

The 186-room Hampton Inn Suites in BoDo is now complete and open for business, and has already experienced full occupancy. The current occupancy for most of the downtown hotels is nearly 70%, well above the industry average of 58%. The renovation of the Statehouse Inn into Hotel 43 is close to completion. The strong downtown hospitality market is attracting the attention of national hoteliers such as Hilton, Hyatt, Embassy Suites and Marriott. The downtown will likely see two more projects in the coming years that will contribute another 200-400 hotel rooms.

Downtown Residential Projects

The largest area of downtown growth is in residential development, a market that is considered to be significantly underserved. Currently 219 units are under construction and another 648 units have received design review approval from Boise City. Of these units, 767 are condominiums, 20 are townhomes and 90 are apartments. Projects range from a mixed-income apartment development at 8th and Idaho to mid-market and luxury condominium units. Announced prices for 510 of the for-sale units range from \$150,000 to \$1.5 million; of them approximately half are below and half above the \$450,000 mark.

The most recent project to receive city approval is Sustainable Community #1, which includes 100 condominium units. Of these units, about a fourth are proposed to be affordable to workforce households (80-140% of median income). Housing is becoming much more prominent in the downtown development landscape than has been the case in the last 20 years.

Sources: Colliers International and Capital City Development Corp.

Downtown Boise Association Statement of Financial Position

(Audited results as of 12/31/06)

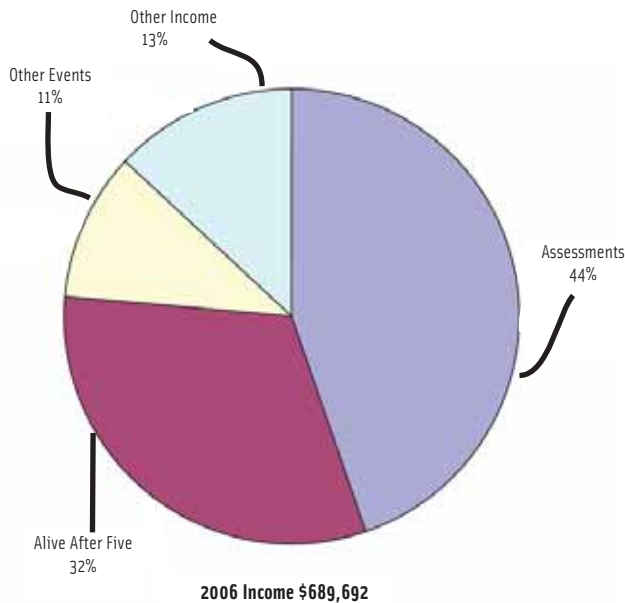
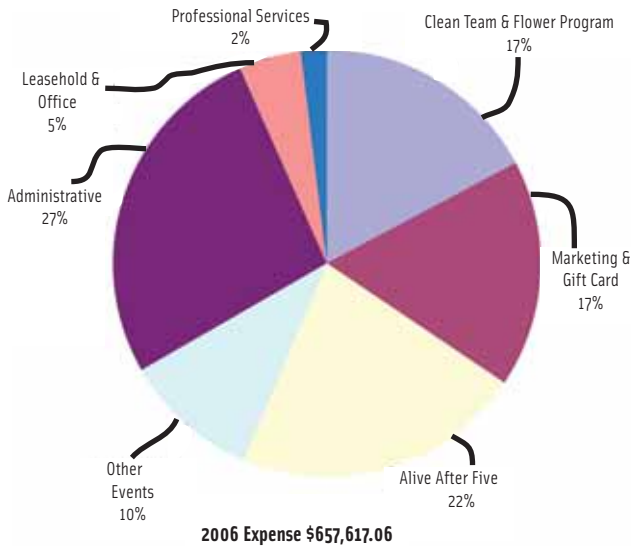
ASSETS	
Current Assets	
Total Checking/Savings	\$73,373.00
Total Accounts Receivable	\$46,166.00
Prepaid Expenses	\$6,850.00
Total Current Assets	\$126,389.00
Total Fixed Assets	\$8,371.00

TOTAL ASSETS **\$134,760.00**

LIABILITIES & EQUITY	
Total Accounts Payable	\$40,095.00
Deferred Revenue-Gift Certificates \$950.00	
Payroll Liabilities	\$9,106.00
Total Current Liabilities	\$50,151.00
Total Equity	\$84,609.00

TOTAL LIABILITIES & EQUITY **\$134,760.00**

DBA Financial Results



2006/'07 Board of Directors

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Jim Tomlinson – Tomlinson & Associates **

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Lisa Myers – Flying M
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Jack Nowatzki – US Bank

Glenn Schumacher – Glen Schumacher CPA
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Philip Kushlan – Capital City Development Corporation **

Patrick Rice – Greater Boise Auditorium District **

Jeff Citek – St. Luke's Regional Medical Center

Nancy Vannorsdel – Boise Metro Chamber of Commerce

Dan Watts – Sterling Savings

Advisor Members

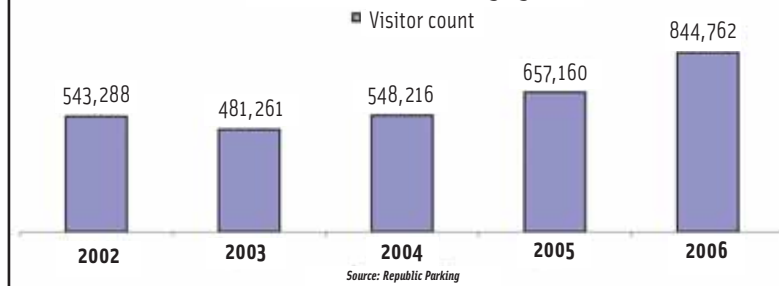
Ken Howell – Hawley Troxell Ennis & Hawley **

John Franden – Ada County Highway District

Officer Scott McMikle – Boise Police

** Denotes Executive Committee Member

Downtown Public Parking System



Downtown Vacancy Rates

