

**FINANCIAL HIGHLIGHTS
AND MAJOR OPERATIONAL RESULTS**

The Greater Boise Auditorium District is proud to play a leading role in the exciting growth and development occurring in the Boise area.



2016



GREATER BOISE AUDITORIUM DISTRICT BOARD OF DIRECTORS



Jim Walker,
Chairman



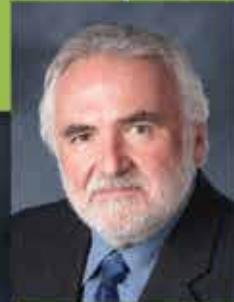
Peter Oliver,
Vice Chair



Judy Peavey-Derr,
Secretary



Steve Berch,
Director



Hy Kloc,
Director

ABOUT THE DISTRICT

Created in June 1959 by voters, the Greater Boise Auditorium District is dedicated to promoting economic activity and growth in the Boise area. Its purpose, as outlined in Idaho Code, Title 67, Chapter 49 is to “serve the public need and promote the prosperity, security, and general welfare” of the District’s residents. To that end, the District is authorized to build, operate, maintain, market, and manage public auditoriums, exhibit halls, convention centers, sports arenas and similar facilities.

In 1990, the Greater Boise Auditorium District completed construction of Boise Centre— the District’s first operating entity and Idaho’s largest convention facility. This past fall, the District celebrated the opening Boise Centre East, the first of a multiphase expansion designed to attract larger conventions and events.

Through the years, Boise Centre has consistently proven to be a vital component of the city’s economic health, drawing thousands of visitors annually, who spend monies in hotels, restaurants, transportation, entertainment, retail and recreational activities.

The five members of the Greater Boise Auditorium District Board are publicly elected nonpartisan officials serving six-year terms with elections held every two (odd) years. The Board’s role is to oversee the operating entity of the District, Boise Centre, and provide governance and guidance on District matters and future investments.



Boise Centre East 4th Floor Lobby

OUR VISION
The Greater Boise Auditorium District is the community's premier provider of public gathering places. Our collection of distinct, high quality spaces is essential to our community's ability to engage and prosper.



OUR MISSION is to develop spaces for community engagement that facilitate the greatest possible positive aesthetic and economic impact to the Treasure Valley.



Topping Out February, 2016



Left to right: Peter Oliver, Steve Berch, Judy Peavey-Derr and Jim Walker; not pictured: Hy Kloc



Boise Centre East is the first of three expansion phases with an estimated total cost of \$47.5 million.



Boise Centre East (phase 1 expansion) includes 36,000 square feet of flexible meeting and event spaces.



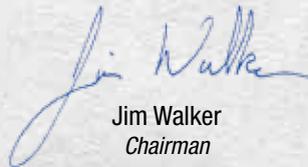
EXECUTIVE SUMMARY

The Greater Boise Auditorium District is proud to play a leading role in the exciting growth and development occurring in the Boise area. A vision started in 1996 came to fruition three years ago, when the District Board of Directors implemented a strategic three-phase expansion of the convention center. This expansion will provide much needed space to accommodate larger conventions and local events simultaneously. In September 2016, the District Board of Directors opened Boise Centre East, the first in the multiphase project.

The successful expansion of Boise Centre is transforming the Auditorium District. Having a world-class convention center is not only infusing the local economy but also spurring other development projects. In February, the Auditorium District sold the 5 acre parcel of property it acquired in 2000 (bordered by Front, Myrtle, 11th and 13th Streets) and proceeds from the sale went to cover expansion costs. A new hotel opened within the Auditorium District this year and several more hotel properties are under construction and set to open in 2017. Numerous office buildings, retail, restaurant and parking facilities are adding to the tremendous economic upswing in the area.

The number of conventions and events in 2016 surged by 22% over 2015, with 270 local events and conventions hosted, serving 144,000 guests, a 5% increase. Hoteliers within the Greater Boise Auditorium District experienced record high occupancy rates and a rise in room rates that contributed to a 13.4% increase in lodging tax revenues from the prior year. The economic benefit of Boise Centre to our community was \$22.3 million.

The District Board of Directors and Boise Centre staff remains focused on delivering our mission of promoting economic growth and activity. Our vision for the future is becoming a reality as our final two phases of expansion will be completed in 2017. We are well positioned to continue providing the community an excellent return on their investment and we look forward to a bright future.



Jim Walker
Chairman



Patrick D. Rice
Executive Director



EVENTS ARE ECONOMIC STIMULATORS

Since 1990 Boise Centre has hosted thousands of local, regional, national and international events. Out of town visitors and members of the local community attending events at Boise Centre have created a strong demand for local lodging, dining, entertainment and recreational opportunities. In twenty-six years, visitors to Boise Centre have spent an impressive \$921 million in local goods, services and taxes in our city.

In 2016, Boise Centre generated \$22.3 million in local economic benefit. Spending by visitors attending events at Boise Centre also led to an additional \$723,000 in state sales tax collections.

Visitors to Boise enhance the vibrancy of our city, help to attract new businesses and promote growth.

This convention center is currently expanding to better accommodate larger regional and national conventions, tradeshow and multiple events simultaneously. Bringing more people to Boise, spending additional dollars on hotels, restaurants, entertainment and cultural activities fulfills the District's primary purpose of promoting economic growth.

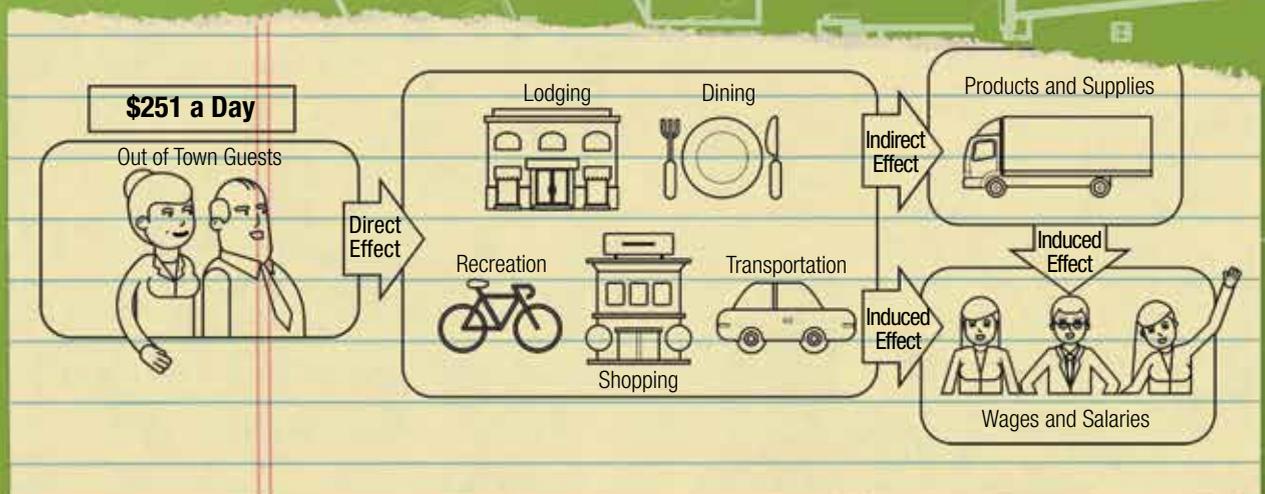
Along with the convention center expansion, several new hotels are under construction or have recently opened near the convention center. The additional hotels will help Boise attract larger conventions and house a growing number of delegates.



Since Boise Centre was opened 26 years ago, visitors have spent \$921 million in local goods, services and taxes.

Average Daily Spending by Attendees*

\$251 by non-locals
\$81 by locals



* According to 2011 Economic and Fiscal Impacts of the Boise Centre Meetings and Conventions study conducted by Boise State University, College of Business and Economics.



EVENT REVIEW

Boise Centre continues to play an important role in the community, bringing together visitors from both near and far for regional and national conventions, local meetings, tradeshows and fundraising galas.

Tremendous growth occurred in 2016. The opening of Boise Centre East in September added 36,000 square feet of meeting and event space bringing the facilities total to 86,000 square feet. Convention groups and local events immediately used the new spaces, which contributed to a 23% increase in the total number of events over the prior year. Event attendance also grew in 2016 by 5% to more than 144,000 people.

Some Highlights of the Year

Conference for Food Protection Biennial Meeting. This Biennial Meeting attracted 449 attendees from 47 states and the District of Columbia. Included in the five-day event were representatives from the food industry, regulatory agencies, academic institutions and professional consumer organizations focused on developing retail food safety guidance.

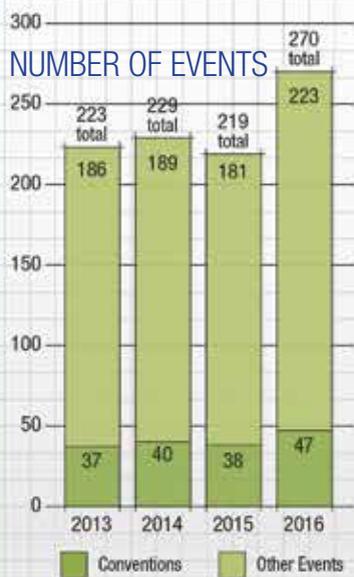
Top Fuels Conference. This annual three-day international conference that brought 250 attendees from 20 countries to Boise was the first convention to be held in Boise Centre East. Attending the event were leading specialists in Light Water Reactor (LWR) fuel who came together to review and discuss advances in nuclear fuel technology.

Idaho Education Technology Association Annual Convention. This convention attracted 490 education and technology professionals from around the state. Of special note, 470 attendees all connected to the convention center's Wi Fi system at the same time.

Boise Flower and Garden Show. This annual three day event sold 9,000 tickets and offered a bounty of garden displays and landscape ideas to visitors from across the Treasure Valley.

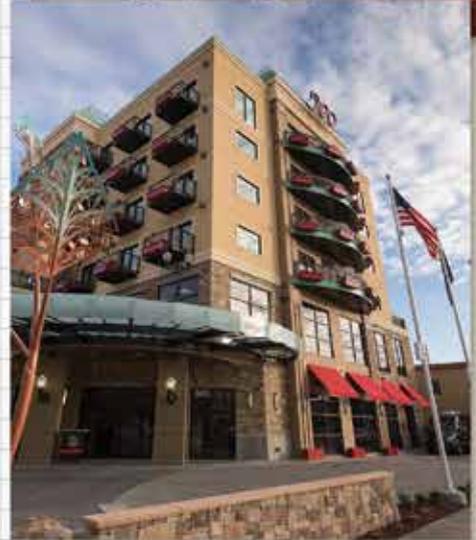
Wild West Auction for Kids, a benefit for the Boys and Girls Club of Ada County. This auction is a wild and crazy fundraising dinner event that attracted 1,000 business and community leaders.

Saint Alphonsus Festival of Trees. One of the Treasure Valley's favorite annual holiday events that is held over five days attracted 30,000 visitors from throughout the Treasure Valley.



Event attendance grew in 2016 by 5% to more than 144,000 people.





Lodging Room Tax and Growth Year over Year (000's):

2016	\$6,323:	13.4%
2015	\$5,574:	16.3%
2014	\$4,793:	7.3%
2013	\$4,466:	8.6%
2012	\$4,118:	11.5%
2011	\$3,694:	9.3%
2010	\$3,471:	1.3%

6,495 yards of carpet was purchased for Boise Centre East.



Concourse Construction

AUDITORIUM DISTRICT LODGING ROOM TAX REVENUE

The District receives its revenue from a room tax for lodging at properties located within its boundaries. None of the District's operating revenues comes from property tax, sales tax, levies or fees paid by taxpayers.

Lodging room tax revenues have steadily climbed since 2009 to new record-breaking levels. In 2016, revenues rose 13.4% over the prior year to \$6.3 million. An upward trend in both hotel occupancy levels and average daily rates contributed to the significant increase in revenues. Year-end demand, combined with a hotel occupancy rate of 78% and average room rate of \$101.47, was the highest in the city's history.*

The continued improving economy, growth in the city as well as large conventions, numerous sporting events and festivals occurring in the city during the second and third quarters of 2016 led to a positive room tax picture for the District. Additionally, a new hotel with 104-rooms opened within the Auditorium District boundaries and is located near the airport.

Reinvesting to Promote Economic Growth

For more than fifteen years, the District conservatively managed lodging room tax revenues in anticipation of expanding the convention center. As a result, by the end of 2017, the District will complete a \$47.5 million multiphase convention center expansion.

- Phase 1 of the expansion is Boise Centre East (part of the City Center Plaza project) and includes 36,000 square feet of flexible meeting and event spaces at a cost of \$29.5 million funded by cash reserves and an annually appropriated capital lease.
- Phase 2 of the expansion is a connectivity concourse to provide seamless access between Boise Centre and Boise Centre East at an estimated cost of \$7 million to be funded by cash reserves.
- Phase 3 includes renovations to the existing Boise Centre to maximize available square footage. Demolition of a tiered auditorium will result in the addition of a new junior ballroom of 4,000 square feet on the first floor and, a conference room and office space on the second floor. Cost is estimated at \$11 million to be funded by cash reserves.

* According to Smith Travel Research

No District revenues come from property tax, sales tax, levies or fees.



FINANCIAL HIGHLIGHTS

The Greater Boise Auditorium District is financially sound and self-sustaining using a combination of lodging room taxes and Boise Centre operating revenues to fund operations, promote economic growth and serve the public need.

The District is committed to conservative fiscal management and maintains strong cash reserves. The reserves are committed for completion of Phase II and III of the expansion and a stabilization fund, which was established to cover ongoing debt service, operating and capital needs.



Financial Highlights – Condensed Combined (in '000's)

	2016	2015
Current Assets	\$ 30,734	\$ 27,000
Capital Assets	\$ 40,814	\$ 12,477
Total Assets	\$ 71,548	\$ 39,477
Total Liabilities	\$ 25,998	\$ 832
Net Position	\$ 45,550	\$ 38,645
Revenues	\$ 13,977	\$ 10,446
Expenses	\$ 7,072	\$ 5,937
Revenues in Excess of Expenses	\$ 6,905	\$ 4,510

The annual audited financial statements are available at boiseauditorium.com/funding/

2016 was an exciting year, with completion of Boise Centre East.

Funding was provided by a capital lease and cash reserves.



An increase in lodging room tax revenues along with conservative fiscal management contributed to a successful year.



SUPPORTING LOCAL

Boise Centre has an ongoing commitment to promote economic growth in the Boise area. This effort includes our purchasing of goods, services and products from Idaho businesses. Boise Centre is delighted to support Idaho Preferred food and agriculture products and to partner with Buy Idaho which supports farmers, ranchers, bakeries, coffee roasters and other Idaho businesses.

Our team of culinary professionals create exceptional dishes with the freshest ingredients from local and regional sources. In-season fruits and vegetables come from Idaho growers. In addition, our meats, dairy products and breads are from local farmers, ranchers and providers.

We proudly feature finely crafted Idaho wines and beer on our catering menu. In 2016, we purchased wine from eight Idaho wineries and nine Idaho microbreweries. An impressive 2,376 bottles of Idaho wine were consumed at Boise Centre—an average of 27 glasses a day.

A partial list of our local partners:

Ballard Cheese
Double R Ranch
Williams Fruit Ranch
Lava Lakes Lamb
Darigold milk products
Purple Sage Farms
Snake River Farms
Dawson Taylor Coffee
Gaston's Bakery

Symms Fruit Ranch
Crossings Winery
Indian Creek Winery
Sawtooth Winery
Koenig Winery
Bitner Winery
Huston Winery
Cinder Winery
Snake River Winery

Payette Brewing Company
Boise Brewing
Mad Swede Brewing Company
Powderhaus Brewing Company
Sockeye Brewing
10 Barrel Brewing
Mother Earth Brew Co.
Grand Teton Brewing Company
Woodland Empire Ale Craft



GREEN INITIATIVES

For many years, Boise Centre has placed a high level of importance on being an energy efficient and environmentally friendly organization. We strongly believe in sustainability programs that preserve Idaho's resources.

- We encourage recycling of paper, plastic, cardboard and metal throughout the entire facility. For large events and tradeshow with hundreds of cardboard boxes and shipping materials, oversized recycling bins are provided on the tradeshow floor near vendors.
- We collaborate with Useful Glassworks, a local nonprofit organization that specializes in repurposing wine and other glass beverage bottles for resale while providing job training for at risk individuals.
- Excess food from events is donated to the Boise Rescue Mission that provides shelter and meals to homeless individuals.

View Glass

The fourth floor lobby of Boise Centre East features two story glass windows with beautiful views of the city and the adjacent Grove Plaza. When designing the new building an important decision was made to preserve the stunning views and avoid unwanted solar heat. **View Dynamic Glass** was chosen for this area because unlike traditional glass it tints in response to outdoor conditions. View Dynamic Glass provides greater comfort and results in energy savings of up to 20%.



Boise Centre Sustainability Facts:

Diverted 41,490 pounds
of recyclable materials from
local landfills.

Donated 2,008 pounds of leftover
food to the Boise Rescue Mission

Donated 434 cases of wine
bottles for repurposing

EXPANSION ACTIVITY IN 2016

In July 2014, the Greater Boise Auditorium District broke ground on a dynamic multiphase Boise Centre expansion. The project includes construction of a new building that opened in 2016 and a concourse to open in 2017 and renovations to the existing Boise Centre to maximize square footage to be completed in 2017.

Highlights of Construction:

First and Second Quarter

- Work continued on phase 1 of the expansion, known as Boise Centre East. In mid-February a topping out ceremony and celebration was held to commemorate the placement of the final beam on the roof of the new ballroom.
- tvsdesign and ZGA Architects completed design work for phase 2 of the expansion, the connectivity concourse.

Third Quarter

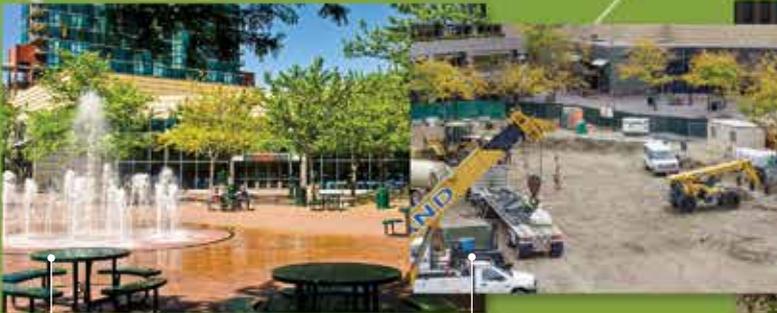
- In mid-July, work on phase 2 began, which includes building an elevated concourse to give guests convenient access between Boise Centre East and the existing Boise Centre. The concourse will be complete in April 2017.
- September, Phase 1/Boise Centre East opens and holds events almost immediately.
- ZGA Architects completed design work and plans for phase 3, which includes renovations to the existing Boise Centre to maximize square footage.

Fourth Quarter

- In early December, work on phase 3 began. A tiered auditorium was demolished to make room for a new junior ballroom, meeting room and offices. The new spaces will open in July 2017.

2017

- All phases of the project will be complete by July 2017 increasing Boise Centre's total square footage to 86,000 and 31 meeting rooms.



Prior to expansion
50,000 square feet
and 18 meeting rooms

Phase 1 began
July 2014
Boise Centre East



New Meeting Room



The additional square footage has already provided Boise Centre the opportunity to secure a large multi-day convention in June 2017 that will draw 1,400 attendees to our city.



New Junior Ballroom

Completion July 2017 will feature 86,000 square feet of and 31 meeting rooms



Phase 2 began July 2016
Connecting Concourse



Phase 1
Boise Centre East opens
September 2016



Phase 3 began December 2016
Renovations to existing Boise Centre

BOISE CENTRE GUEST COMMENTS



“Thank you for making our conference such a great success. We were truly impressed with the smooth execution of a multi-track, multi-location, multi-purpose meeting for a brand new conference center. Please pass along our admiration for the Boise Centre team as well. They did a great job helping the participants navigate the construction, getting us information about the local area and providing fun incentives for our group. We’ll see you again at a future INL event at Boise Centre.”

Top Fuel Conference 2016

“Ratings do not go high enough to even begin to express our event experience with Boise Centre. AGAUS attendees loved the facilities, loved the location, and ease of getting around, not only at the Centre but also to the hotels and local areas. We have been doing events at Boise Centre since it opened and we have never been disappointed – each time is better.”

AGAUS Idaho 2016

“Everything for our conference went well and we considered this one of the better events that we have hosted around the country. We hope to have the opportunity to return to Boise.”

Allegheny Science & Technology 2016

“The Boise Centre staff was amazing! They were very helpful and checked in regularly to ensure things were running smoothly. Again the staff was awesome!”

Optum Idaho 2016



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