

Plans for Boise site stall with economy

By Michael Rose

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The sputtering economy has slowed the redevelopment of the former Boise Cascade site in downtown Salem.

Developers had hoped to start remodeling the building, known as the south warehouse, for new tenants by spring, and \$16 million to \$18 million worth of improvements have been proposed for the structure.

"There is just a delay. We are going through the gyrations of any development," said Dan Berrey, who teamed with Larry Tokarski to purchase the 13-acre Boise site in 2007.

Backers of the project are working with potential tenants and are looking at development options, but it's difficult to determine whether any additional construction will be done this year, Berrey said.

Alex Rhoten, a partner in Coldwell Banker Commercial Mountain West Real Estate LLC, said the real estate company has removed its signs from Boise's property. Coldwell no longer is actively marketing the site to office tenants, although it still is engaged in working with its developers, he said.

The south warehouse — where a full-service health club has been proposed, among other prospective tenants — is one part of the development planned for the site. A mix of stores, offices and housing have been discussed for the waterfront property.

"Times are tough and that has certainly put a strain on the project," said Rick Scott, Salem's urban-development director.

In 2007, Salem established the South Waterfront Urban Renewal Area to help promote the redevelopment of the privately-owned Boise site and surrounding areas. Public projects, such as pathways and improving access to the river, are to be integrated into the area's redevelopment.

Scott said developers have recently met with urban renewal officials and discussed alternatives to kick-start development at the site. The talks have touched on specific projects



Redevelopment

Urban renewal areas, such as the one centered around the Boise site, generate revenue through tax-increment financing.

When such an area is formed, the city caps the assessed value of the property in the area. Any additional tax dollars earned on increasing property values then is used for improvements within the area.

Source: staff reports

and programs with urban renewal, he said.

The city is interested in helping the developers succeed, Scott said. But because it's a relatively new urban renewal area, there is not a large amount of tax dollars in the budget to pay for major improvements.

In fiscal 2010-11, the South Waterfront Urban Renewal Area is projected to have about \$631,700 in its budget, he said.

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