

## Offices in downtown vs. suburbia: A matter of space

By: Teya Vitu | January 10, 2017 | 1 Comment

If you were to compare the Treasure Valley to just about any other good-size city in the country, there would be no question whether to put your office in downtown Boise or out in the suburbs.

The Treasure Valley is compact enough that all of Ada County could be counted as an “urban core” rather than suburbs, as measured in big metros. Even Nampa, a distant suburb in the view of most, is much closer to downtown Boise, timewise, than most suburbs are in other metro areas.

“You’re in close proximity even if you’re in the suburbs,” said Al Marino, office brokerage specialist at the Boise commercial real estate firm Thornton Oliver Keller.



A parking garage in downtown Boise. The Capital City Development Corp., which manages the city’s parking garages, has raised rates at its garages as demand has increased. File photo.

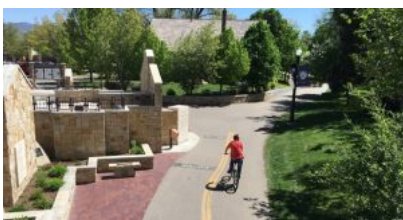
There is the small matter of parking. There’s little to no free parking in the downtown core, and it costs more than \$100 per month to use space in the parking garages that fit amongst the tallest office buildings downtown.

Beyond parking, though, the city offers few deterrents for those who would like to have an office downtown.

Yet people in Meridian and downtown Boise grumble about the haul to each place, even though the trip takes just 13 minutes or less on the freeway during non-rush hours. The daytime drive from Boise to Garrity Boulevard in Nampa takes just 18 minutes, and the typical evening commute stretches that out only to 23 minutes, according to travel time

data collection by Community Planning Association of Southwest Idaho.

That sets up the downtown vs. suburbs dynamic.



A bicyclist on the Boise Greenbelt. Proximity to the Greenbelt for commuting or recreation is a significant draw for downtown businesses and workers. Photo by Erika Sather-Smith.

Downtown offers dining and cultural options and upward of 35,000 possible business contacts within a short walk. The downside: Finding and paying for parking. The suburbs offer free parking, more space, and the possibility of a shorter commute for the workforce, if they live in the suburbs.

Downtown Boise is the office center and government center of the Treasure Valley. But Meridian has evolved into the center of the population base for the Boise Metropolitan Statistical Area, which includes Ada, Boise, Canyon, Gem and Owyhee counties.

The Village at Meridian is within a 15-minute drive of 34.6 percent of the 651,000 people who live in the Boise MSA and within a 30-minute drive of 89.9 percent of the Treasure Valley population, according to calculations by Thornton Oliver Keller.

“The Village gives you all the downtown amenities close to 80 percent of the population,” said Michael Ballantyne, managing partner at TOK.

Most think of The Village as upscale shopping and entertainment, but upstairs The Village offers 138,000 square feet of office space. Meridian has had a net gain of filling office space exceeding



100,000 square feet every year since 2010, while office absorption has fluctuated in downtown Boise linked to new towers opening in a given year.

Yet downtown Boise, even at the eastern edge of the metro, is a near commute for a large share of its employees, who tend to live in the North End, near Boise State University, on the Boise Bench or in the Harris Ranch area.

The offices of Boise's City Hall are a good example. More than 800 of the city's 2,032 employees live in ZIP codes surrounding downtown, largely within 3 miles of City Hall.

The downtown real estate development and management firm Rocky Mountain Companies, which moved downtown from the Boise Airport in July 2015, is another. CEO Mike Fery said half the staff slashed commute times because they live in the North End or east side and those who live in Meridian or farther out see no real change in drive times.

"The fact we have access to multiple coffee shops and eateries for lunch (is appealing downtown)," Fery said. "At the airport, we certainly didn't have a place to walk to for coffee. We do a lot of impromptu meetings with a number of people."



Mike Fery

Eagle-based time tracking software producer TSheets can attract talent favoring the suburban or downtown flavor. The company opened a 2,000-square-foot downtown Boise satellite office in March that has about a dozen employees.

"People don't have to change who they are to join TSheets," CEO Matt Rissell said.

But, in essence, TSheets is a suburban company with 170 employees.

"When we started out, I lived out here, my co-founder lived out here and our first employee lived out here," Rissell said. The company started in Meridian in 2006. "There was absolutely no need to go to downtown Boise."

TSheets has moved eight times, "hopping from one really cheap location to another" in the early years until its pending emergence in May 2017 in the newly built 65,000-square-foot The Bridges at Lakemoor building. Rissell stuck to Eagle for his ninth location because most of his employees live nearby.

"There's a phenomenal amount of talented people here and I could cut their commutes by 20-25 minutes (by staying in Eagle)," Rissell said.

But more than a year ago, TSheets was running out of space before its new building would be ready. The downtown office was a necessity – but also an opportunity.



"Now we can recruit extraordinary talent that is downtown as well," said Rissell, for whom suburban benefits still outweigh downtown. "Some people prefer the urban lifestyle. The massive advantage in Eagle is parking is so much easier. In downtown, it's not only expensive but there are no parking places available. You have to get on waiting lists. It blows my mind."

Heidi and Orville Thompson brought Scentsy to Meridian in 2004 after acquiring the fragrance company from two women in Salt Lake City.

"It was really, really small," Scentsy Chief of Staff Sam Johnson said. "They didn't have any money but they had a 40-foot shipping container in Meridian. As the business grew, they went into a little house next to the shipping container."

Johnson came on board seven years ago as real estate and construction manager to build what has become a 73-acre Scentsy Commons campus. This 780,000-square-foot collection includes a six-story, 168,000-square-foot office tower, two warehouses, a distribution center and a former Club Wholesale building that houses Scentsy manufacturing.

Johnson has two answers for why Scentsy remained in Meridian.



Silverstone Plaza is an office building in Meridian. File photo.

“(The Thompsons) are believers of the bloom where you are planted philosophy,” said Johnson, then shifting to practical. “We needed industrial space with rail access next to Class A office space. You don’t get that in downtown Boise. For us, there is no downside (in being in the suburbs). We love it here. It’s a perfect fit.”

At the opposite end, J.R. Simplot Corp. planted its flag in downtown Boise in the 1940s and since 1975 has occupied the One Capital Center building. Simplot chose to remain in downtown Boise when it decided to consolidate several Treasure Valley divisions in one corporate headquarters.

Simplot had bought the remaining Union Pacific Railroad land between Front and Myrtle streets in 1993. That simplified where to build a new corporate HQ 20-odd years later.

“We already owned that land,” Simplot spokesman Josh Jordan said. “When our leadership got together, downtown Boise was the place they wanted to be. There is the close proximity to the airport. We need to get some of our leadership to different locations. We use the airport quite a bit.”

Downtown Boise also has had a substantive renaissance in recent years with the J.R. Simplot Foundation adding the Jack’s Urban Meeting Place to the mix.

“We are a born and bred company in Idaho,” Jordan said. “We’ve watched Boise grow. We like the direction downtown is going.”

Former Pittsburgh Mayor Tom Murphy, these days a senior fellow at the Urban Land Institute, has visited Boise a number of times. He lauds the Boise River Greenbelt, the parks along the river, and the proximity of Boise State University to downtown, which matches Duquesne University’s proximity to his own downtown.

“Boise has all the ingredients that make for a very competitive downtown,” Murphy said.

Much commercial real estate growth across the country and in the Treasure Valley plops down in the suburbs, but Murphy keeps his eye on major companies floating into downtowns.

Murphy cited General Electric building its 338,000-square-foot global operations center in downtown Cincinnati, McDonald’s moving its corporate office from suburban Oak Brook, Ill., to downtown Chicago, and Motorola Solutions moving his headquarters from suburban Schaumburg, Ill., to downtown Chicago.

“Google in Pittsburgh acquired a Nabisco Purina plant and half the workforce walks or rides bikes to work,” Murphy said.

In Boise, CenturyLink has its regional operations center for Idaho, Montana and Wyoming and a couple call centers in downtown Boise. CenturyLink and its predecessor Mountain Bell have shared the One Capital Center building with Simplot since it opened in 1975.

“When the lease was expiring, we looked at other options in Boise, as you should at least once every 40 years,” said Jim Schmit, CenturyLink vice president of operations for Idaho, Montana and Wyoming. “In the end, it would be very expensive to move 600 people out of this location, so finding something with amenities to offset that cost was pretty difficult.”

CenturyLink looked at suburban locations with free parking that would be a closer commute for some employees – but farther for others.

“But in the end we made the decision to stay here,” Schmit said. “This has been a very good location for us. I don’t hear any complaints from our employees as far as about the location or the facility.”

### **By day, a concentrated population of workers**

The numbers demonstrate that the Treasure Valley’s downtown vs. suburbia dynamic has striking contrasts with the national averages presented by author Joel Kotkin in his book, “The Human City.” Kotkin spoke in Boise in October.

“Only 9 percent of employment is in the central business district with an additional 10 percent in the urban core,” Kotkin wrote about the national picture. “Twice as many Americans work 10 miles from the urban core as in the

core itself with suburbia counting for some 65 percent of all employment in metro areas.”

According to Idaho Department of Labor statistics, downtown Boise has 12.8 percent of the metro’s employment and as much as 14 percent if Boise State University is defined as downtown, as is emphatically stated in city of Boise definitions of downtown.

As for twice as many people working more than 10 miles from the urban core, in the Treasure Valley 93 percent of the office space is in Ada County, where the county line is just beyond Ten Mile Road.

The Census Bureau’s On the Map feature reveals that the opposite is true in the Boise Metro.

“As you can see, 63.1 percent (of commuters) travel less than 10 miles and the majority travel east into Boise from west Ada and Canyon counties,” said Carl Miller, principal planner at COMPASS. “We already knew that but it’s nice to see the numbers behind it.”

Idaho Department of Labor statistics reveal that 70 percent of Treasure Valley jobs are in Ada County, within the 10 mile line drawn by Kotkin. Ada County has about 222,000 people employed and Canyon County about 60,000, said Ethan Mansfield, regional economist at the Idaho Department of Labor.

The Ada County percentages could just keep on growing. In bigger cities, five-story and taller office complexes are clustering around freeway offramps.

“What we see at freeway ramps is one-two stories, ” TOK’s Ballantyne said. “You’re going to see more vertical at freeway interchanges here.”

Even newcomers blur the big city definitions of downtown, urban core and suburbia. Ballantyne notices millennials coming from out of state first make a beeline to downtown.

“When we have them come in they say ‘We have to be downtown,’” Ballantyne said. “When they come here, they see it’s not as important to (live) downtown. You cannot build a house for less than \$300,000 in Ada County. Millennials are buying houses in Canyon County (where median prices were \$159,000 in November , about \$86,000 less than Ada County).”

Downtown Boise, like many downtowns these days, has a revitalized energy that attracts a certain sector of the population.

“There seems to be a culture you get downtown,” TOK’s Marino said. “There’s a vibe. You have restaurants, entertainment, all within walking distance.”

Suburbia also attracts large numbers even without a vibe.

“Suburban office parks are pretty sterile places,” ULI’s Murphy said. “Cities that are going to be competitive understand the opportunity for creating a diverse employment base.”



## ABOUT TEYA VITU

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## ONE COMMENT

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*jordanmorales@boisestate.edu*  
January 10, 2017 at 6:32 am

Solution to parking from a downtown worker: embrace public transit and take the bus. It’s nice to check emails or read whatever on your phone and you meet some cool people. Definitely worth the 10 minutes or so it could add to your commute.

