

**TOTAL DEVELOPMENT COST  
COMPONENTS A-F:**  
\$82,292,622

**TOWN'S PORTION OF COST**

**BONDS**

**SOURCES OF NONTAX INCOME**

**FOOTNOTES**

4

**Town Project 1**

Existing Wallace Deck

Existing Revenue Bond:  
Est.: \$460,000

Operating Expenses:  
\$531,000

Existing Lot 5 Income: \$125,000

Existing Lot 2 Income: \$285,000

Wallace Income: \$570,000

**Developer Project 1**

Wallace Expansion  
Retail / Housing  
Cost: \$19,936,247

A

Loss of Income:  
1) Demo of Lot 5: \$125,000

Interest Income on Land Lease Payout of:  
\$100,767, assists Lot 5 loss for Yrs 1&2.

Sale of M-R Condo & Prkg: \$335,544

Property Tax (Private): \$105,347

Developer Leases 92 Spaces: \$44,712

Base Rent (Retail): \$10,800

Land Lease Payout: \$3,887,060  
(MR & AFF Condo Units)

Retail Sale Proceeds (yr. 10): \$95,757

Wallace Deck Non-Tax Income & Tax Revenue

**Developer Project 2**

Lot 5 Development  
Retail / Housing / Garage  
Cost: \$39,049,517  
(Private Component: \$30,099,046  
Public Component: \$8,950,471)

B

**Town Projects 2 & 3**

**\$8,950,471**

Lot 5  
173 Replacement  
Parking Spaces  
Cost: \$4,411,457

Cost Delta of Underground vs.  
Above-grade Parking  
\$4,539,014

**\$8,950,471**

Revenue Bond: \$2,888,522

Lot 5 Land Lease Payout: \$4,414,171  
(MR & AFF Condo Units)

Land Lease Payout: \$1,647,778

Property Tax: \$181,409

Town Parking Net Income: \$190,397

Base Rent (Retail Space & Prkg): \$67,028

Sale of M-R Condo & Prkg: \$714,047

Retail Sale Proceeds (yr. 10): \$765,362

Lot 5 Non-Tax Income & Tax Revenue

**Developer Project 3**

Lot 2 Development  
Retail / Housing / Garage  
Cost: \$17,157,321

C

**Town Project 4**

Transit Transfer Center  
Cost: \$2,141,037

D

Land Lease Payout: \$2,239,282  
(MR & AFF Condo Units)

**Town Project 5**

Pedestrian Bridge: \$457,679

E

Net Sale Proceeds: \$714,047

**Town Project 6**

RBC Garage: \$5,159,447  
RBC Land Cost: \$990,090  
Total: \$6,149,537

F

**\$6,189,981**

TIF Bond: \$3,371,909

Revenue Bond: \$2,818,072

Base Rent (Retail - Lot 2): \$40,303

Property Tax: \$80,717

Sale of M-R Condo & Prkg: \$222,205

Retail Sale Proceeds (yr. 10): \$486,693

Land Lease Payout: \$2,125,434  
(MR & AFF Condos)

Lot 2 Non-Tax Income & Tax Revenue

RBC NCF after Debt Service: \$294,768  
(Yr 3; Retail and Parking Operations includes RBC  
Land Cost & Garage Cost)

RBC Garage Non-Tax Income & Tax Revenue

**Assumptions and Footnotes**

1) All Revenue Bonds assume a Term: 20 years, Coupon Rate: 5.50%, Debt coverage ratio (DCR): 1.25.

2) Land Lease Payout will be paid to the Town by the developer at closing of the Construction Loan. The payout is based on the Present Value (PV) of a 30-year Land Lease with a Discount Rate of 2.50%.

3) The "Sale of M-R Condo & Prkg" : Represents the Town's 20% share of the Net Proceeds from the sale of the Market-Rate Condominium units. The one-time payment will be paid to the Town two years after completion of construction.

In order to reduce the cost of Affordable Condominium units, the Town will not share in the marginal Net Sale Proceeds of these Units.

**Surplus Non-Tax Income  
& Tax Revenue to Town  
(2007-2011):  
\$1,734,459**

Income Assumptions are derived from Year 3  
for each Income producing Project Component.

**Final  
Public/Private  
Finance Plan**

**Town Of Chapel Hill**  
November 5, 2004

Prepared By SPPRE ©  
www.sppre.com

