

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

TOWN'S PORTION OF COST

BONDS

SOURCES OF NONTAX INCOME

FOOTNOTES

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

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