



June 25, 2004

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Cal Horton  
Town Manager  
Town of Chapel Hill  
306 N. Columbia Street  
Chapel Hill, NC 27516

RE: Revised Consulting Services Outside the Original SPPRE Contract

Dear Cal:

Based on the results of HKS's urban design work; the expanded development scope; and the addition of two project sites, we would like for you to consider adding the following tasks to the tasks included in Part 1C: Cost Estimation and Financial Analysis of our current contract:

**Task A: Developing Two (2) Detailed Development Phasing Plans and Schedules**

It has become very clear that the phasing of the 3 to 4 sites (the RBC site is an option) is important to maintaining the parking supply for the Downtown. For example, we cannot concurrently develop Parking Lots 2 and 5 without creating a deficit of 274 parking spaces. While an obvious solution is to construct a garage on the RBC property in Phase 1, we cannot be assured that the Town can gain control of the property. Therefore, we propose to develop two Development Phasing Plans and Schedules – one assuming we can gain control of the RBC property and one assuming we cannot acquire the RBC property.

The Development Phasing Plan will significantly affect the Public/Private Finance Plan, because depending on the schedule to start construction of the garage to replace the existing parking supply, the Town will need to incorporate the financing of the garage into the public/private partnership, or issue a bond to finance the garage in advance of developing Lots 2 and 5. Now is the time to be thinking about these issues.

**Task B: Identify and Analyze the Sources of Financing Available for Transit-Oriented Development (TOD) projects**

The Building Program for Lot 2 now includes a Transit Transfer Center, we believe this type of facility provides the Town the opportunity to apply for financing from several Federal agencies for the Transit center and associated housing. We strongly urge the Town to authorize our firm to identify and analyze each source of financing.



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Based on our extensive TOD experience, we have identified over 11 alternative sources of financing for TOD-Related projects, such as: the Transit Center, related parking garage(s), landscaping, child care facilities, etc.

The Town has agreed that David Bonk, Principal Transportation Planner with the Town's Department of Planning will provide assistance to SPPRE to complete Task B.

The fee to complete Tasks A and B is as follows:

Task A: \$4,800

Task B: \$6,000

The total labor fee is \$10,800, plus the Allocated Expenses (9.5% of the Labor Fee, or \$1,026) for a total fee of \$11,826.

We continue to appreciate the opportunity to work with you and your staff on these developments which are pivotal to the future of the Downtown!

Best regards,

*John Stainback*  
John Stainback