

Section 6: Development Sites and Building Programs

Based on the work of ERA, HKS Architects and the Town, SPPRE developed the following building program for Phases One and Two.

- Residential development:
305,440 GSF
- Retail/dining entertainment development
62,750 GSF
- Open space area
55,100 GSF
- Parking spaces: 1,289
1,061 new spaces
228 existing spaces

Parking

It was the direction of the Town Council that the development replace the existing surface spaces in Lot 5 (173 spaces) and Lot 2 (101 spaces) in the new design program. HKS worked with the Council Committee and SPPRE and proposed slightly adjusted parking ratios for consideration:

- Off-street parking requirements of 1.5 spaces per dwelling unit (DU). This increased from the previous 1 parking space per DU.
- Provide 1 off-street parking space for every 400 square feet of non-residential development of the subject lots, and then apply a 25% reduction to the total to account for shared parking utilization.

After a financial feasibility analysis, and as a method to reduce development costs and increase cash flow, SPPRE has modified the parking requirements at each lot. SPPRE has removed the storage requirement from Wallace Deck building program and Lot 2 building program. The removal of the storage parking component requires that the developer design units that will accommodate storage capacity for the residential demand.

Transit

The concept of the Transit Transfer Center was generated by the Town and is incorporated into the development of Lot 2.

Chapel Hill Transit provides public transportation service throughout the Chapel Hill, Carrboro and UNC community. Chapel Hill Transit operates fixed route and demand responsive service within approximately a 25 square mile service area. In January 2002 the system became fare-free. Chapel Hill Transit produces over 142,000 annual hours of service and has a budget of over \$11 million. At the end of the 2003-2004 fiscal year, fixed route ridership was over 4.5 million.

Removal of storage parking component requires that the developer design units that will accommodate storage capacity for residential demand.

Affordable Housing

It is mandated by the Town that 15 percent of all new housing development be affordable housing. Because of incentives for Affordable Housing Funding Programs, SPPRE used a 20 percent allocation for financial feasibility for all projects.

Pedestrian Bridge

A pedestrian bridge connecting the proposed building at Lot 2 and the RBC Garage is recommended by the Town and SPPRE and is incorporated into the current Building Program.

Section 6: Development Sites and Building Programs

Summary of Building Program

Total Building Program (Phases One and Two)
 Scenario C-3: RBC, Lot 2 and TTC Included (5 Projects)

Type of Use	Gross SF	Units	Efficiency	Lease SF	Sales SF
Phase One					
Lot 5 Residential					
Market Rate – Condo	128,480	102	1.00	-	128,480
Market Rate – Rental	-	-	0.92	-	-
Affordable Housing-Ownership	32,120	26	1.00	-	32,120
Retail	30,250	-	0.92	27,830	-
Open Space	28,300	-	0.00	-	-
Subtotal	219,150	128		27,830	160,600
Lot 5 Garage Private Parking					
Parking-Residential					
Market Rate – Condo	48,960	153	1.00	48,960	48,960
Market Rate – Rental	-	-	1.00	-	-
Affordable Housing-Ownership	8,320	26	1.00	-	8,320
Parking-Residential Storage					
Market Rate – Condo	32,640	102	1.00	-	32,640
Market Rate – Rental	-	-	1.00	-	-
Affordable Housing-Ownership	8,320	26	1.00	-	8,320
Parking-Retail	18,880	59	1.00	18,880	-
Subtotal	117,120	366		67,840	98,240
Public Parking					
Parking-Replacement					
	55,360	173	1.00	55,360	-
Parking Surplus (Public Parking)					
	-	-	0.00	-	-
Subtotal	55,360	173		55,360	-
Total Parking upon completion	172,480	539		123,200	-
Total GSF	391,630				
Parking Space/SF	320				
Average SF per Residential Unit	1,255				

1.34

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Summary of Building Program Continued

Wallace	Residential						
	Market Rate – Condo	109,120	87	1.00	-	109,120	
	Market Rate – Rental		-	0.92	-	-	
	Affordable Housing-Ownership	27,280	22	1.00	-	27,280	
	Retail	4,000	-	0.92	3,680	-	
	Open Space	12,200	-	0.00	-	-	
	Subtotal	152,600	109		3,680	136,400	
Wallace Garage	Private Parking						
	Parking-Residential						
	Market Rate – Condo	41,920	131	1.00	-	41,920	
	Market Rate – Rental		-	1.00	-	-	
	Affordable Housing-Ownership	10,560	33	1.00	-	10,560	
	Parking-Retail	2,560	8	1.00	2,560	-	
	Subtotal	55,040	172		2,560	52,480	
	Public Parking						
	Parking-Replacement	72,960	228	1.00	72,960	-	
	Parking Surplus (Public Parking)	-	-	0.00	-	-	
	Subtotal	72,960	228		72,960	-	
	Total Parking upon completion	128,000	400		75,520	-	
	Total GSF	280,600					
	Parking Space/SF	320					
	Average SF per Residential Unit	1,251					
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Phase Two							
Lot 2	Residential						
	Market Rate – Condo	67,840	54	1.00	-	67,840	
	Market Rate – Rental		-	0.92	-	-	
	Affordable Housing-Ownership	16,960	14	1.00	-	16,960	
	Retail	20,100	-	0.92	18,492	-	
	Open Space	14,800	-	0.00	-	-	
	Subtotal	119,500	68		18,492	84,800	
RBC	Retail Space-Ground Level	8,400		0.92	7,728		
	Parking-Market Rate Condos (Lot 2)	25,920	81	1.00	25,920		
	Parking-Affordable Housing (Lot 2)	6,720	21	1.00	6,720		
	Parking-Retail (Lot2)	12,160	38	1.00	12,160		
	Parking-Retail (RBC)	3,200	10	1.00	3,200		
	Parking-Replacement (Wallace)	29,440	92	1.00	29,440		
	Parking-Replacement (Lot 2)	32,320	101	1.00	32,320		
	Totals after completion	109,760	343		109,760		
	Total GSF	118,160					
	Parking Space/SF	320					

Section 6: Development Sites and Building Programs

Summary of Building Program Continued

Totals	Residential				
	Market Rate - Condo	305,440	244	-	305,440
	Market Rate - Rental	-	-	-	-
	Affordable Housing-Ownership	76,360	61	-	76,360
	Retail	62,750	-	57,730	-
	Open Space	55,100	-	-	-
	Subtotal	499,650	305	57,730	381,800
	Private Parking				
	Parking-Residential				
	Market Rate - Condo	90,880	365	48,960	90,880
	Market Rate - Rental	-	-	-	-
	Affordable Housing-Ownership	25,600	80	6,720	18,880
	Parking-Residential Storage				
	Market Rate - Condo	32,640	102	-	32,640
	Market Rate - Rental	-	-	-	-
	Affordable Housing-Ownership	8,320	34	2,560	8,320
	Parking-Retail	36,800	115	36,800	-
	Subtotal	194,240	696	95,040	150,720
	Public Parking				
	Parking-Replacement	117,120	366	117,120	-
	Parking Surplus (Public Parking)	-	-	-	-
	Subtotal	117,120	366	117,120	-
	Total Parking Spaces Built	1,062			
	Wallace Spaces that Remain	228			
	Total Public Parking (inc. remaining Wallace Parking)		594		
	Total Parking Spaces Upon Completion	1,290			
	Total GSF	811,010			

Section 6: Development Sites and Building Programs

Phase One: Lot 5 and Wallace Deck

Lot 5

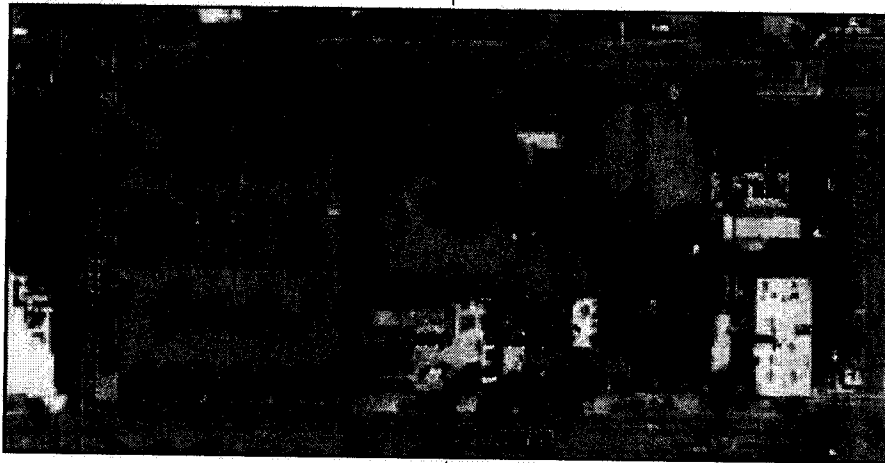
Existing Site Description:

The current property is a 1.7-acre site located between West Franklin Street, West Rosemary Street, and Church Street. It presently contains a municipal surface parking lot with approximately 173 spaces. The lot is fairly level with some mild contour fall to the northeast. Trees on the property are mostly Bradford pears, some of which are near the end of the lifecycle. There is one large mature tree in the middle of the lot. There is generally low-scale development surrounding the lot, with the exception of the University Square complex (to the south), and new 2-to-4 level office/retail space immediately to the west. The Northside Neighborhood is adjacent to the north.

rooms". The pedestrian space links West Franklin with both West Rosemary and Church Streets. The west building is envisioned as a 4-level structure that embraces the street. The east building would be similar, with a 6-story central module, keeping the 4-level portion at the street edge. Internal base-level spaces would conceptually house retail, art galleries, and potentially office space. Sketches of various views (plan, elevation, and cross-section) are presented on the following pages.

Parking

The building program assumes that on-site parking is accommodated by a 2.5-level underground parking garage (bottom level is approximately 30 feet below street level). This is shown to be constructed as part of the flanking buildings to achieve maximum cost efficiency. Under the conceptual master plans, each of the first two levels would contain about



Lot 5 Building Program Summary

Lot 5 is proposed to be developed as a mixed-use block, with upper-level residential and street-level retail, dining, and entertainment (R/D/E) spaces. Two buildings are proposed which flank public pedestrian space that would have such amenities as landscaping, seating, public art, and/or water features that create a series of intimate and comfortable "outdoor

205 spaces, for a total of 410 spaces. The third level would include 129 parking spaces for a total of 539 parking spaces in the garage. It is estimated that at least 128 of those spaces would be "removed" from service to be used as private storage space for Lot 5 residents. Access to the garage would be either from Church Street or from the northern lot boundary on West Rosemary Street. Resident-only reserved parking could be zoned with a key control device (gated arm) for private areas.

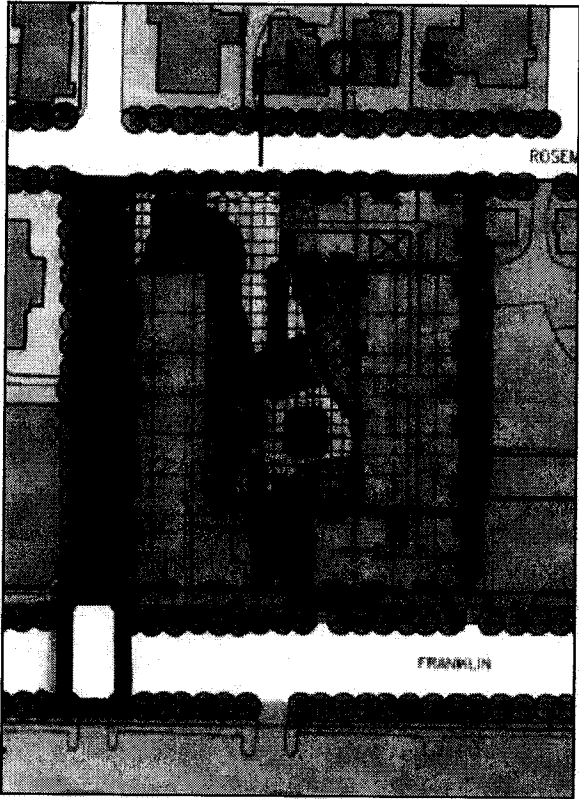
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Building Program Summary

The following summarizes the accompanying development program for Lot #5:

- Residential development-Market Rate Units 128,480 sf (102 DU's)
- Residential development-Affordable Housing Units 32,120 sf (26 DU's)
- Retail/dining/entertainment development 30,120 sf
- Open space/plaza area 28,300 sf
- FAR 2.55 FAR
- Parking spaces supplied 615 spaces
- Parking demand (including 173 replacement spaces) 425 spaces

Lot 5-Plan View



Section 6: Development Sites and Building Programs

Extended Wallace Deck

Existing Site Description

The current property is a 1.2-acre site located between West Franklin Street, West Rosemary Street, and Henderson Street. It presently contains a municipal parking garage (Rosemary Street Parking Facility and James C. Wallace Plaza, 320 spaces approximately). The Wallace Parking Deck has an under-used rooftop landscaped plaza. Also contained in this site consideration is a vacant lot behind the Old Post Office (Court House), which includes 12 parking spaces and a grassy area. Near the corner of Henderson and Rosemary is a mature magnolia tree. These two adjoining sites are collectively referred to as the Extended Wallace Deck.



The site is generally level, with a lower elevation than Franklin Street (by approximately 20 feet). A mixture of 1-to-2 story retail and office uses generally surround the property, with the exception of the adjacent 7-story Bank of America office tower located immediately to the west.

Recommended Development Option

The Extended Wallace Deck is proposed to be developed as a predominantly residential block. Three buildings are proposed to be built atop the existing Wallace Parking Deck, plus a proposed deck extension to Henderson. The existing rooftop plaza would be expanded to function as a residential amenity, with some public uses. If adjacent private landowners agree, this development may connect with the Bank of America office plaza and the Town-owned Old Post Office to provide pedestrian access both at the street level and a “plaza level.” All three buildings are proposed to be 4-level structures above the existing garage elevation. Some limited street-level retail is envisioned at the corner of Henderson and Rosemary (limited due to garage ramping and

the structural column grid). Developers must demonstrate in their design that the alley-way remains functional. Sketches of various views (plan, elevation, and cross-section) are presented on the following pages.

Structural Capacity to Expand the Wallace Deck

Stewart Engineering Inc. will complete a report

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on the structural capacity analysis of the existing Wallace deck on December 8, 2004. As of December 3, 2004, their conclusion is that the structural capacity of the Deck can support a "Four-story Light-Frame Structure." The only part of the analysis not performed is the "Lateral Analysis," which applies to seismic issues. The Wallace Deck was constructed before the State adopted the seismic code. The term Light Frame Structure includes wood and a light-gauge steel/thin concrete deck construction. Under the worst case scenario for meeting the seismic code, Stewart Engineering believes that this condition could be easily remedied with new shear walls for the garage.

Parking & Transit

The Extended Wallace Deck will take advantage of the existing Wallace Parking Deck

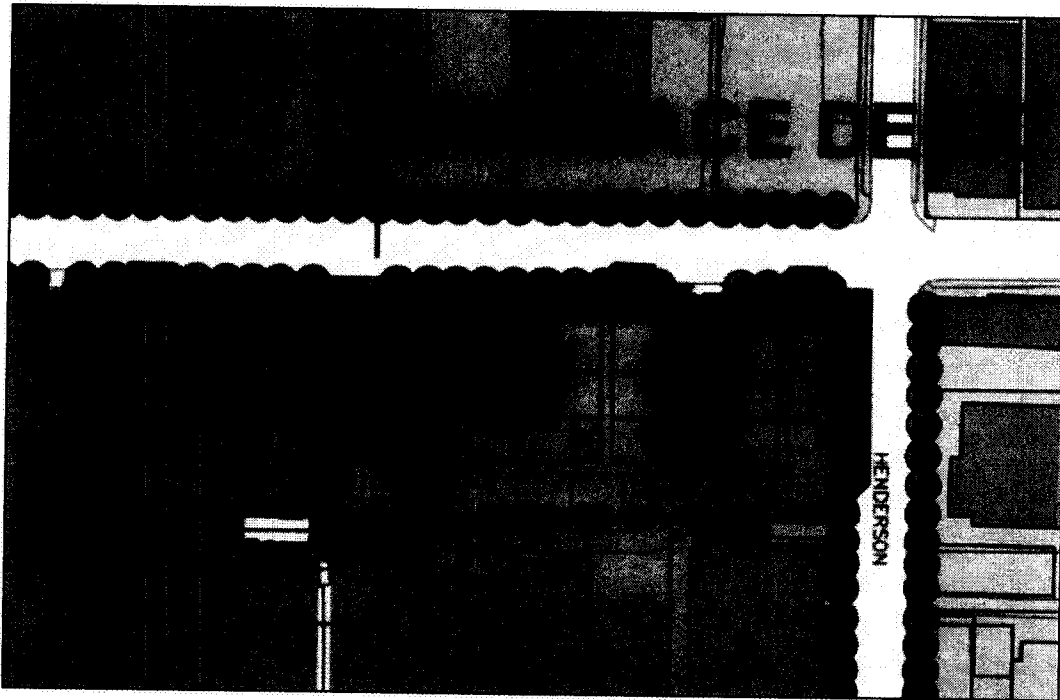
and increase its capacity to almost 400 spaces (an increase of 80 new spaces). No increase in elevation or deepening of the lower levels is proposed. Access to the garage would be either from Rosemary (west of Henderson) or Henderson (north of Rosemary). Through a financial analysis of the development scenario for Wallace Deck, SPPRE has omitted the storage spaces required. This assumes that the developer will build the units with adequate storage space for residents inside the units. Resident-only reserved parking could be zoned with a key control device (gated arm) for private areas. Any reduction in current parking capacity will be absorbed by new capacity at Lot #2 North (RBC site) and Lot #5.

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Wallace Deck Program Summary

The following summarizes the accompanying development program for the Extended Wallace Deck:

Extended Wallace Deck-Plan View



Section 6: Development Sites and Building Programs

Phase Two: Lot 2 and RBC Garage (not included in this RFQ)

Lot 2

Existing Site Description

The current property is a 1.1-acre site located between East Franklin Street, East Rosemary Street, and North Columbia Street. It presently contains a municipal surface parking lot with approximately 101 spaces. The lot is terraced, with contouring falling generally towards the east. There are few trees on the lot and it is mostly paved. There is mixed development surrounding the property – 1-to-2 level buildings along Franklin, Rosemary, and Columbia, with a 7-story office tower (Bank of America) immediately to the east.

would be punctuated with large light wells to flood the Transit Transfer Center with natural daylight. The internal court also links Columbia, Franklin, and Rosemary (using either new plazas or existing alleyways). The north building is envisioned as a 6-level structure, with street-level retail. The remaining two buildings are similar, but are 4-levels. Street-level spaces would house retail, galleries, and limited potentially office space. Sketches of various views (plan, elevation, and cross-section) are presented on the following pages.

Parking and Transit

The commercial development of Lot 2 is constructed atop a Transit Transfer Center (TTC). By utilizing the natural topographic fall of the site, limited excavation and site preparation will be necessary. The site may also



Recommended Development Option

Lot #2 is proposed to be developed as a mixed-use block, with upper-level residential and street-level retail, dining, and entertainment (R/D/E) spaces. Three buildings are proposed to flank a relatively large pedestrian space that is promulgated with such amenities as landscaping, seating, public art, and/or water features that create a series of intimate and comfortable “outdoor rooms”. The plaza

be eligible for transit and other funds to encourage “transit-oriented developments” (TOD’s). SPPRE has developed 2 to 3 alternative Public/Private Finance Plans to find the TTC. The TTC would contain stops for 9 buses, and may also house a Town information and service center.

Parking for Lot 2 is proposed to be provided by a new parking garage on the site of the current RBC Centura Bank. Taking advantage

Section 6: Development Sites and Building Programs

of that site's natural contours, 2 levels could be built that are effectively underground at the Rosemary elevation. An additional 4 levels is proposed above grade. Each level will contain about 60 spaces, for a total of 360 space maximum capacity. Through a financial analysis of the development scenario for Lot 2, SPPRE has omitted the storage spaces required at the proposed RBC garage to lower

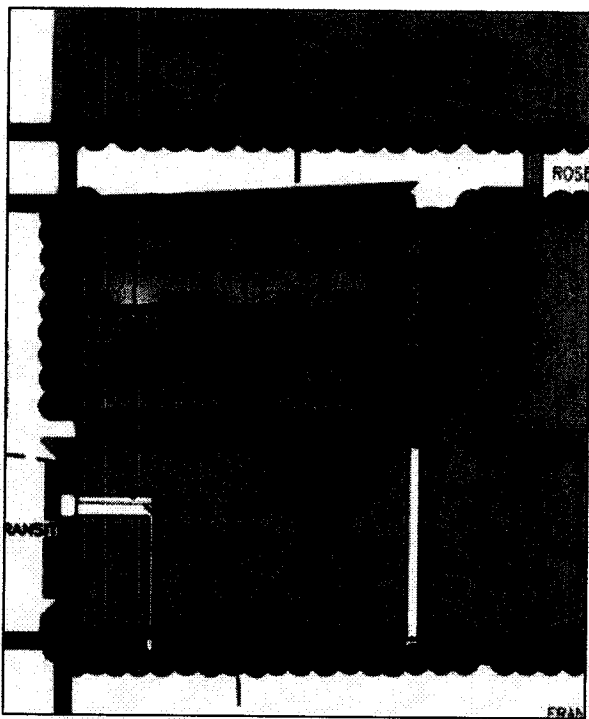
development costs at the garage (avoiding an entire 5th floor of parking). This assumes that the developer will build the units with adequate storage space for residents inside the units. Access to the garage would be either from Rosemary (east of Columbia) or Columbia (north of Rosemary). Resident-only reserved parking could be zoned with a key control device (gated arm) for private areas.

Lot #2 Program Summary

The following summarizes the accompanying development program for Lot #2:

- Residential development-Market Rate Units 67,840 sf (54 DU's)
- Residential development-Affordable Housing Units 16,960 sf (14 DU's)
- Retail/dining/entertainment development 20,100 sf
- Open space/plaza area 14,600 sf
- Parking spaces supplied 360 spaces
- Parking demand (including 101 replacement spaces) 240 spaces

Note: If the Wallace Deck can accommodate 4 stories of housing, these new units require 172 parking spaces. The expansion of Wallace Deck includes 80 new spaces, therefore, the developer will lease 92 spaces from the Town.



Lot 2-Plan View

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RBC Garage (not part of this RFQ)

Existing Site Description

The current property is a .5-acre site located at the intersection of Columbia Street and Rosemary Street. It presently contains the office for RBC Centura Bank. The office building is a 2 story brick building with parking in the rear of the building.

The site is generally level, with a lower elevation as you move along Columbia Street. Lot 2 lies directly across the street, there is a Bank of America Parking Garage adjacent to the property.

Recommended Development Option

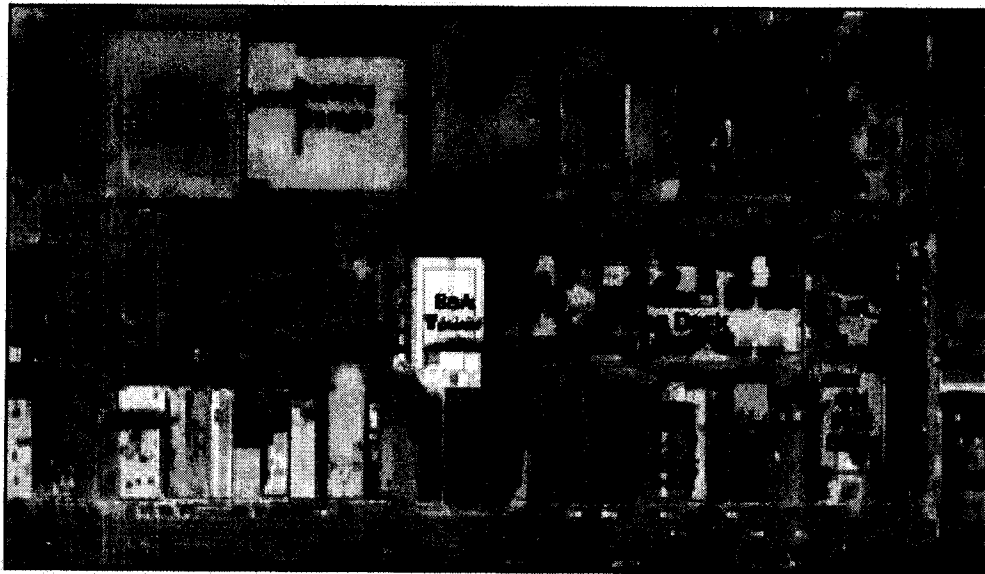
The RBC Garage will satisfy the new parking requirements at Lot 2 (Housing and Retail: 150 spaces), replace the existing surface parking at

Lot 2 (101 spaces), and the replacement parking from Wallace Deck (92 spaces), totaling a demand of 343 spaces. The Garage is planned to have one floor of Retail fronting on Rosemary Street and parking above to service 343 spaces. A Pedestrian Bridge is also envisioned connecting the RBC Garage and the Residential Building at Lot 2. At this time, it is proposed that the Town will Design, Finance, Develop and Operate the RBC Garage project. The financing of this project is included in the Public/Private Finance Plan prepared by SPPRE.

RBC Garage Building Summary

The following summarizes the accompanying development program for the RBC Garage:

- Retail: 8,400sf
- Parking spaces supplied 343 spaces
- Parking demand 343 spaces



Section 7: Submission Requirements

Developers are required to organize their qualifications into eight (8) sections as follows. Additional information may be included under separate sections:

1. Detailed Information on the Developer
2. Information and Qualifications of Key Members of the Multi-disciplinary Team
3. A Detailed Description of Mixed-Use and Public/Private Partnership Experience
4. The Developer's Assessment of Market Demand and Initial Building Program
5. The Initial Public/Private Finance Concept
6. The Proposed Conceptual Working Relationship with the Town
7. References for the Developer

Submission Procedures

Developers are required to submit one (1) original and copies of their 8½" x 11" format response to this RFQ. Proposals must be organized in accordance with the Submission Requirements described in the following subsection of Section 7. They must include at a minimum the requested information. The Town of Chapel Hill reserves the right to request additional information during the developer RFQ review period.

Responses must be received no later than **11:00 AM on January 31, 2005**. The copies must be bound and sealed when submitted. Developer proposals must be submitted by mail or delivered to:

Phil Hervey
Senior Planner
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516

Organize Qualifications into 8 Sections

1. Detailed Information on the Developer
2. Information and Qualifications of Key Members of the Multi-disciplinary Team
3. A Detailed Description of Mixed-Use and Public/Private Partnership Experience
4. The Developer's Assessment of Market Demand and Initial Building Program
5. The Developer's Initial Vision for Both Sites
6. The Initial Public/Private Finance Concept
7. The Proposed Conceptual Working Relationship with the Town
8. References for the Developer

For overnight delivery, such as FedEx, DHL, etc., the telephone number for the Town is 919.968.2728.

The box or envelope must be labeled "Developer RFQ Submittal: Lot 5 and Wallace Deck." Proposals submitted by facsimile or electronic mail will NOT be accepted. Proposals received after the deadline will NOT be accepted.

Developers should also send one (1) copy of their entire submittal to the Town's public/private finance and development advisor:

Stainback Public/Private Real Estate (SPPRE)
3100 Timmons Lane, Suite 520
Houston, TX 77027

Telephone Number: 713.621.3007. (For Overnight Delivery)

Section 7: Submission Requirements

Respondents will be notified in writing of any change in the requirements/specifications contained in the Request for Qualifications.

Neither the Town of Chapel Hill, nor any of its officers, agents or employees, shall be responsible for the accuracy of any information provided to any Proposer as part of this RFQ. All Proposers are encouraged to independently verify the accuracy of any information provided, with the exception of soil borings. The use of any of this information in the preparation of a response to this request is at the sole risk of the Proposer.

Pre-Proposal Conference in Chapel Hill

A Pre-Proposal Conference to discuss the development of Lot 5 and Wallace Deck will be held on January 11, 2005 at 2:00 PM in the Council Chamber at Town Hall. (See Section 8: Evaluation Criteria and Developer Selection Process).

The Required Minimum Contents and Organization of Developer Submittals

1. Detailed Information on the Developer

The required information on the development entity should be organized into the following categories:

a. Identification Information:

Provide name, address, email and telephone number of the lead development company.

b. Proposed Principal and Project Manager

It is imperative that the developer identify the Principal and Project Manager assigned to this project. Describe in detail the role and responsibilities of each professional. The Town is particularly interested in who will negotiate the Development Agreement and complete the balance of the pre-

development process, including the completion of the Town's approval process.

c. Company Overview

Developers should focus on the history of the firm, the relationship to the parent company, the office responsible for this project and the available resources that office.

d. Describe Financial Capacity to Implement Subject Projects

Describe the developer's capacity to finance and develop projects similar in scope to this project. Describe the sources of debt for the last three (3) development projects completed.

Generally describe the at-risk cash investment made by the developer for the last three (3) development projects completed.

Provide the name, addresses and telephone number of three financial references.

Provide the most recent Annual Report for the Company.

e. Describe Current Workload in Relation to Company Resources

For the office assigned to this project, identify the scope and location of current projects and the current status of these projects. More specifically briefly describe the current workload of the Principal and Project Manager assigned to this project.

f. Provide Resumes of the Key Members of the Developer Team Assigned to this Project

The Town is particularly interested in the mixed use development and public/private partnership experience of the Principal and the Project Manager.

Section 7: Submission Requirements

g. Describe your ability to attract quality national and local retail tenants.

h. Briefly describe your ownership and development position for the last three mixed-use or public/private development projects. Please specify whether your firm was a fee developer, equity investor, owner and/or property manager. Does your firm typically retain ownership of your developments or do you sell to third parties?

2. Information and Qualifications of Key Members of the Multi-disciplinary Team

Provide a list of the firms included on the developer's multi-disciplinary team. At a minimum, identify the architect, structural engineer and construction company. If a developer believes this negatively impacts his/her ability to structure a competitive contract, identify as many as two structural engineers or three firms for each key member of the multi-disciplinary team you will work with on this project. It is imperative that developers identify only one architect for their team.

The architect member of the development team is so important to the Town that developers will not be allowed to change architects at any point after the submittal of their RFQ proposal.

The architect selected by the developer is required to describe the last five mixed-use or similar projects completed. At a minimum, the description must include 8 1/2 x 11 illustrations of the urban design plan, sections, elevations and perspective sketches.

3. A Detailed Description of Mixed-Use and Public/Private Partnership Experience

The Town is not requiring developers to submit design concepts. Consequently, the qualifications of the developer and their architect becomes one of the most important factors in short listing developers.

a. Developers should focus on the two types of experience required for this project: 1. Financing, designing and developing mixed-use developments and 2. Structuring and implementing major public/private partnerships.

b. Describe the last three (3) mixed-use developments completed and relevant to this project and provide photos and illustrations of completed project.

c. Provide a brief overview of the public/private finance plan of the last three major public/private development projects.

d. Provide associated references, including name, address and telephone number for the last three relevant projects completed.

4. The Developer's Assessment of Market Demand and Initial Building Program

The Town has incurred the cost of a fairly comprehensive market demand study prepared by a nationally recognized consultant, but the Town requests that developers provide their assessment of the market demand for the following uses:

- Office space
- Retail space
- Market-rate rental housing
- Market-rate condominiums
- Art and Entertainment

The Town is requesting that developers maximize the number of owner-occupied housing units.

5. The Initial Public/Private Finance Concept

Section 7: Submission Requirements

The key word of this section of the submittal is concept. The Town is not requesting specific public/private finance plans, but the Town is interested in reviewing the developer's initial thoughts and approach to structuring the public/private finance plan. Clearly, short-listed developers will be asked to structure a detailed Public/Private Finance Plan in their RFP proposals.

6. The Proposed Working Relationship with the Town

The Council Committee, Town Council, Town staff and many of the Town's residents are very interested in the design, finance, development, construction and operation of the proposed Downtown developments. So it is important for developers to briefly describe the anticipated working relationship with these entities.

7. References for the Developer

The Town is keenly interested in the track record of the developer's ability to successfully structure and implement projects of similar development scope and projects which required a genuine public/private partnership, as well as projects which included multiple public entities. Developers should provide the name, address and telephone number of the primary public partner of the last five public/private development projects completed.

If developers have not completed major public/private development projects, they should describe their experience with public partners or projects which require complex design and development review processes.

Section 8: Evaluation Criteria and Developer Selection Process

Overview

Developer proposals in response to this RFQ will be evaluated by the Council Committee for the Development of Lots 2 and 5, Town staff, and SPPRE. Based on the evaluation criteria described below, the Committee, will prepare a recommended "short-list" of qualified developers to receive the developer Request for Proposals (RFP). The evaluation group anticipates limiting the short-list of developers to as few as three (3), but no more than five (5). This recommended short-list of developers will be submitted to the Town Council for approval. The Town Council is not bound by the recommendations of the Council Committee.

Statement of Qualifications for the development teams are due **January 31, 2005** and must be prepared in conformance with the guidelines described in Section 7. After a review of the RFQ proposals by the Council Committee and SPPRE, clarifications may be requested, and Proposers will be asked to make a presentation to the Council Committee and its consultant during the following several weeks. Unless requested by the Council Committee, no additional information can be submitted by the developers after the January 31, 2005 deadline.

Procedure for Developer Questions or Clarifications

For information concerning the procedure for responding to the RFQ or needed clarifications of the terms, conditions, and requirements of this RFQ, please contact John Stainback, Managing Partner, or Will Reed, Project Manager, SPPRE, at 713.621.3007. It is preferred that all questions or clarifications be submitted in writing to Stainback Public/Private Real Estate (SPPRE), 3100 Timmons Lane, Suite 520, Houston Texas 77027, or e-

mail to contact@sppre.com. All questions and requests for clarification must be received no later than January 5, 2005.

The Five-Phase Selection Process

A five-phase process has been established for soliciting developer participation in the finance, design, development, construction and operation of Lot 5 and the expansion of the Wallace Deck.

Phase 1: This RFQ Process

The intent of this phase is to identify teams who have the proven capacity, track record, interest and creativity to design and develop the two mixed-use developments. More specifically, the intent is to obtain substantiated evidence of performance capacity to complete an undertaking of this magnitude, along with verification of prior or present involvement in the finance, development and operation of this type of development (or highly related type of development) and complex public/private real estate partnerships.

Phase 2: The Developer Pre-Proposal Conference

The primary purpose of the Pre-Proposal Conference is for the Town to present the development opportunities and to provide a forum to discuss this project. The Pre-Proposal Conference will be held on January 11, 2005 at 2:00 PM at the following address:

Town Hall, 306 N. Columbia Street,
Chapel Hill, NC

Although attendance for Proposers is not mandatory, all questions regarding submissions and the project will be addressed during this meeting or in follow up correspondence. All

Section 8: Evaluation Criteria and Developer Selection Process

written questions must be received by the Town no later than January 5, 2004. No further questions regarding the project or the RFQ will be entertained after the Pre-Proposal Conference.

Phase 3: The RFP Process

For the RFP phase, three to five developers will be invited to prepare and submit a detailed technical proposal, which should provide a sufficient basis for the Council Committee and SPPRE to assess development feasibility, practicality of financing, requested participation by the Town, the amount and risk of economic return on the Town's land investment.

Phase 4: Developer Interviews

Each of the developers submitting a technical proposal in response to the RFP will be required to present their qualifications and proposed public/private finance and development plan

Phase 5: Ranking the Top Three Developers

SPPRE will prepare a Developer Evaluation Report describing the basis for ranking developers and recommendations. This report will be based on the RFQ and RFP proposals submitted by developers and the results of developer interviews. This report will be submitted to the Council Committee for its review and then submitted to the Town Council for its consideration. The Town Council will decide the final ranking of the top three developers.

Immediately after determining the final ranking, the Council Committee, selected members of the Town staff and SPPRE, will begin negotiations of the Development Agreement and Land Leases. If an agreement cannot be successfully negotiated in a timely manner, the Town has the right to terminate negotiations with the developer ranked number one, and begin negotiations with the developer ranked number two.

The Committee is highly focused on the design and proposed use of pedestrian space and its relationship to both Franklin and Rosemary streets.

Developer Evaluation Criteria

The evaluation of developers responding to the RFQ will be completed in a systematic manner using the following evaluation criteria:

- The qualifications and experience of the developer team assigned to the Town's projects.
- The qualifications and mixed-use experience of the developer, as well as their public/private partnership experience.
- The mixed-use experience of key members of the development team, with particular focus on the architect and construction company.
- Financial capacity
- Ability to attract national and local retail tenants
- The proposed Preliminary Building Program
- The developer's approach to structuring the Public/Private Finance Plan.
- The proposed level of interaction between the developer and the Town
- References and recent awards for design and/or development
- Completeness of the project and team in the RFQ proposal

We want to take this opportunity to reiterate that both urban design and architecture may be one of the most important issues to the Council Committee. The Committee is highly

Section 8: Evaluation Criteria and Developer Selection Process

focused on the design and proposed use of pedestrian space and its relationship to both Franklin and Rosemary streets. Developers are urged to amply demonstrate the mixed-use and urban space design capabilities of their selected architect(s).

The weighting to be assigned to each criterion will be determined by the Council Committee, Town staff and SPPRE prior to consideration of any proposals.

Tentative Schedule for Evaluation of Developer Proposals

There are generally eight (8) steps for the Town and SPPRE to complete before we can announce the developers which are short-listed to receive an RFP.

The Town reserves the right to extend or otherwise modify the above-presented schedule. If and when such changes in the schedule were to occur, notice will then be provided to developers still involved at that stage of the selection process.

The Town Review Process

Before developers submit their proposals in response to this FRQ, the Council Committee wants candidate developers to be aware of two major requirements included in the Town's Review Process for development projects: 1. Special Use Permit process may require up to eight(8) months to complete, and 2. Town Plan Review process may require up to three(3) months, but may be completed concurrently with the special use permit process.

PROJECT SCHEDULE

December 13, 2004—March 7, 2005

STEPS	DATE
Step 1: Developer RFQ Issued	December 13, 2004
Step 2: Pre-Proposal Conference in Chapel Hill	January 11, 2005
Step 3: RFQ Proposal Due Date	January 31, 2005
Step 4: SPPRE Evaluates Developer Proposals	February 1-17, 2005
Step 5: Short-listed Developers Submitted to Council Committee	February 18, 2005
Step 6: Council Committee Considers Recommended Short-list	February 23, 2005
Step 7: Town Council Receives Committee's Recommended Short-list	February 28, 2005
Step 8: Council Committee Meeting / Town Council Considers RFQ Short-list, Approval of RFP Document	March 7, 2005

Section 9: Statement of Limitations

Costs of Responding to the Request for Proposals

The Town of Chapel Hill intends and has the authority to select a preferred developer and to lease the redevelopment rights of the commercial development portion as described in this RFP. The Town reserves the right to accept or reject any or all responses, in part or total, and to waive any minor informalities, as deemed in the best interest of the Town. The Town reserves the right to award the contract to the best and most responsive and responsible team who submits a proposal meeting the criteria most advantageous to the Town. The Town further reserves the right to consider matters such as, but not limited to, the quality of completed projects similar to this one and the business reputation of the respondent and financial abilities, in determining the most advantageous proposal.

THE TOWN OF CHAPEL HILL IN NO WAY TAKES RESPONSIBILITY FOR ANY EXPENSES INCURRED BY ANY RESPONDENT IN THE COURSE OF RESPONDING AND/OR PRESENTING THIS PROPOSAL.

Town of Chapel Hill Right to Modify, Suspend and Waive

The Town of Chapel Hill reserves the right to: (a) modify, and/or suspend any and all aspects of the Request for Proposals; (b) request additional information; and (c) waive any unintentional defects as to form or content of the Request for Qualifications or any responses submitted. Any substantial changes in the requirements of the Request for Qualifications will be disseminated to all parties by way of an official written Addendum. **Any and all Addenda are to be signed and returned**

with the proposal to be considered responsive.

Broker's Fees

No claims for broker's fees will be paid by the Town of Chapel Hill. Each respondent shall indemnify and hold the Town of Chapel Hill harmless from all claims, liabilities, and costs arising from any person's claim for brokerage commissions, finder's fees, or other remuneration based in whole, or in part, on the submission of a response by that developer, any negotiations with that developer, or the execution of a lease or other contract with that developer. The Town of Chapel Hill reserves the right to disqualify proposals, before or after opening, upon evidence of collusion with intent to defraud or other illegal practice upon the part of the respondent. (See Non-Collusion Affidavit form). Respondents also warrant that no one was paid a fee, commission, gift or other consideration contingent upon receipt of an award for any part or total project.

Disclosure and Disclaimer

The Request for Qualifications (RFQ) is for informational purposes only. Any action taken by the Town of Chapel Hill ("The Town") in response to proposals made pursuant to the RFQ, or in making any award or failing or refusing to make any award, shall be without any liability or obligation on the part of the Town or any of its officers, employees or advisors.

The RFQ is being provided by the Town and its advisor, without any warranty or representation, expressed or implied, as to its content, accuracy or completeness. Any reliance on the information contained in the

Section 9: Statement of Limitations

RFQ, or on any communications with Town or Town Officials, employees or advisors, shall be at the developer's own risk. Prospective developers should rely exclusively on their own investigations, interpretations and analysis in connection with this matter. The RFQ is made subject to correction of errors, omissions, or withdrawal without notice. The RFQ does not constitute an offer by the Town. The Town's determination as to the qualifications and acceptability of any party or parties submitting in response to the RFQ shall be made at the

sole discretion of the Town. The Town is governed by the _____ and all proposals and supporting data shall be subject to disclosure as required by such law.

The Town reserves the right to accept, subject to negotiation of final terms and conditions, any proposal(s) deemed in the best interest of the Town, to waive any irregularities in any proposals, to reject any and all proposals, to re-advertise for new proposal, and to extend the deadline for submission of proposals.

Section 10: Completed Studies and Reports

Overview

The Town of Chapel Hill has completed a substantial amount of work in preparing to negotiate and implement the commercial development of Lot 5 and Wallace Deck. Most of the completed pre-development studies will save the to-be-selected developer a tremendous amount of time and cost.

Sharing the Cost of the Pre-Development Reports and the Developer Evaluation Process

Short-listed developers selected to receive RFPs will be required to pay a proposal evaluation fee in the amount of \$10,000. The evaluation fee is non-refundable and will be used to cover a portion of the fees for consultants assisting the Town during the developer RFQ/RFP process.

Completed Reports Available to Developers:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Downtown Chapel Hill Small Area Plan (A component of the Chapel Hill Comprehensive Plan), Adopted March 27, 2000 2. Downtown Chapel Hill Design Workshop Summary Report, May 13, 2002 3. Market Analysis Report for Proposed Redevelopment of Lots 2 & 5, Town of Chapel Hill, prepared by Economics Research Associates (ERA), February 27, 2004 4. Downtown Development Options, prepared for the Town of Chapel Hill by HKS Architects, Inc., June 2004 5. Complete Appraisal of: Chapel Hill Parking Lot 5, prepared by Analytical Consultants Inc., July 22, 2004 | <ol style="list-style-type: none"> 6. Complete Appraisal of: Chapel Hill Parking Lot 2, prepared by Analytical Consultants Inc., July 22, 2004 7. Construction Cost Estimates for Lot 5, Lot 2, Lot 2 North, Parking Garage and Wallace Expansion, prepared by McDonald-York, July 30, 2004 8. Phase I Environmental Site Assessment Parking Lot #5, prepared by Engineering Consulting Services, LTD, (ECS), August 18, 2004 9. Phase I Environmental Site Assessment Parking Lot #2, prepared by Engineering Consulting Services, LTD, (ECS), August 18, 2004 10. Revised Construction Cost Estimates prepared by McDonald-York, September 10, 2004 11. Report of Subsurface Exploration and Geo-technical Engineering Analysis for Lots 2 and 5, prepared by Engineering Consulting Services, LTD (ECS), October 27, 2004. 12. Land Appraisal for Downtown Property, prepared by Pickett-Sprouse Real Estate, October 26, 2004 13. Final Report Part 1C: Cost Estimate & Financial Analysis, prepared by Stainback Public/Private Real Estate (SPPRE), November 2, 2004. 14. Structural Analysis of Wallace Deck prepared by Stewart Engineering, Inc. available upon request after December 10, 2004). <p>Developers also may request the minutes of all Council Committee meetings over the last year, as well as all “quick” reports on the redevelopment of Lots 2 and 5.</p> |
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Appendix

Exhibit 1: Acknowledgement of Receipt of Request for Qualifications

CHAPEL HILL, NORTH CAROLINA FOR THE MIXED-USE DEVELOPMENT OF LOT 5 AND WALLACE DECK

Please complete this form and deliver, mail or fax it promptly to SPPRE. This will assist SPPRE in providing you with further information or amendments to the Request for Proposals.

Name

Company

Title

Address

Telephone Number

Fax Number

- I am a(n): _____ Developer
 _____ Operator
 _____ Contractor / Engineer
 _____ Consultant
 _____ Interested Citizen
 _____ Other - Please Specify: _____

I/We received the Request For Proposals package on (date) _____

Mail or Hand Deliver to:
John Stainback
Stainback Public/Private Real Estate
Suite 520
Houston, TX 77027

Fax to:
John Stainback
713.621.3008

Appendix

Exhibit 2: Non-Collusion Disclosure Statement

Non-Collusion Disclosure Statement

Developers shall disclose below, to the best of his or her knowledge, any Town of Chapel Hill officer or employee, or any relative of any such officer or employee, who is an officer, partner, director or proprietor of, or has a material interest in the Developer's business or its parent company, any subsidiary, or affiliated company, whether such Town official or employee is in a position to influence this procurement or not.

Failure of a developer to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the Town of Chapel Hill Purchasing Ordinance.

Name	Relationship
_____	_____
_____	_____

In the event the Developer does not indicate any name, the Town shall interpret this to mean that no such relationship exists.