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Development of Lot 5 and Wallace Deck				
Chapel Hill, NC				
Weighting the Evaluation Criteria				
Note: SPPRE will complete scoring and ranking after Developer Interviews.				
		Developers		
Evaluation Criteria Categories		Weight	Ram Development Company	Grubb Properties and Leyland Alliance
1.00	Development Team (Designated Architect)	5		
2.00	Building Program/Urban Design/Architecture	25		
3.00	Financial Analysis	10		
4.00	Proposed Public/Private Finance Plan	25		
5.00	Plan to Minimize Construction Impact	10		
6.00	Preliminary Approval Rights for Town	5		
7.00	Preliminary Financial and Development Safeguards	5		
8.00	Preliminary Development and Construction Schedule	5		
9.00	Background Check	0		
10.00	Level of Specificity and Subjective Criteria	10		
Total		100		
Developer Ranking				

Evaluation Matrix for Developer RFP Proposals			
Town of Chapel Hill			
May 20, 2005			
Scoring		3 = Excellent	
		2 = Good	
		1 = Fair	
		0 = Poor	
Ref. #	Development Team	Ram Development Company	Grubb Properties and Leyland Alliance
1	Identify proposed multi-disciplinary team members:		
1.1	1 Managing Developer	Ram Development Company	Grubb Properties
1.2	2 Co-developer (if applicable)	n/a	Leyland Alliance
1.3	3 Project Manager for Developer	Depends on Development phase of project. Primary contact is Ivy Greaner and Susan Tjarksen.	Jeff Harris & Macon Toleando
1.4	4 Contractor	Skanska USA	Resolute Builders or Rogers Builders Construction
1.5	5 Operators	Ram Commercial Group (RCG) and Ram Realty Services (RRS)	n/a
1.6	6 Architect	Duany Plater-Zyberk (Lead Architect: Planning and Architecture), Cline Design (Architect of Record: building design and construction documents), GGA Architects	Urban Design Associates (Lead Design) & FMK Architects (Architect of Record)
1.7	7 MEP Engineer	Sigma Engineered Solutions, Columbia, SC (new)	Saber Engineers or Charlotte Engineers
1.8	8 Structural Engineer	Stewart Engineering, Morrisville, NC (new)	Stroud, Pence, and associates
1.9	9 Civil Engineer	Kimley Horn, Raleigh, NC (new)	ColeJenest & Stone
1.10	10 Landscape Architect	Corban & Goode, Toronto, Ontario (new)	n/a
1.11	11 Law Firm	TBD	n/a
1.12	12 Marketing Consultant	Ram Commercial Group	Gibbs Planning Group
1.13	13 Equity investor(s)	Ram Development Company	n/a
1.14	14 Debt investor(s)	TBD	Bank of America, Wachovia, or Regions Bank. Steven Winter Associates - LEED consultant;
1.15	15 Other consultants	System WorCx, LEED Commissioning Agent (new)	Michael Gallis & Associates - Strategic Planning Consultants; Gibbs Planning Group - Retail Tenants
1.16	16 Leasing and Management	Ram Commercial Group (RCG) and Ram Realty Services (RRS)	n/a
1.17	17 Identified Tenants	n/a	n/a

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
1.00	Development Team		
	18 New Team Members, if applicable. Additional Info. on Project Manager	Cline Design, GGA Architects, Kimley Horn, System WorCx, Corban & Goode, Stewart Engineering	DESMAN Associates, parking consultant
	19 Principal Point of Contact	Susan Tjarksen	Jeff Harris, Exec. Vice President, Investments
2.00	Building Program		
2.10	Proposed Building Program:		
	20 Total GSF: Lot 5 and WD (excluding parking):	281,390 sf	226,034 sf
	21 Total Retail GLA: Lot 5 and WD (exc. pkg):	28,088 sf	44,400 sf
	22 Total Housing Gross Sales SF: Lot 5 and WD (exc. pkg):	253,302 sf	181,634 sf
	*Assume all parking spaces are approximately 350 sf		
	Private Building Program:		
	Lot 5		
	23 Retail (GSF)	27,320 sf	36,900 sf
	24 Housing - Market Rate (GSF)	107 Units (158,122 gsf)	120 Units (176,050 sf)
	25 Housing - Affordable (GSF)	17 Units (16,264 sf)	0 Units (sf)
	26 Open Space (GSF)	16,275 sf (50%)	20,300 sf (50%)
	27 Parking Spaces for New Retail	70 Spaces (24,500 sf)	0 Spaces (sf)
	28 Parking Spaces for Residential	179 Spaces (62,650 sf)	0 Spaces (sf)
	29 Total Garage Parking Spaces	249 Spaces (87,150 sf)	0 Spaces (sf)
	Wallace Deck		
	30 Retail (GSF)	3,500 sf	7,500 sf
	31 Housing - Market Rate (GSF)	91 Units (104,147 sf)	32 Units (59,866 sf)
	32 Housing - Affordable (GSF)	18 Units (19,470 sf)	28 Units (22,244 sf)
	33 Open Space (GSF)	6,058 sf (50%)	6,500 sf (50%)
	34 Parking Spaces for New Retail	12 Spaces (4,200 sf)	0 Spaces (sf)
	35 Parking Spaces for Residential	38 Spaces (13,300 sf)	0 Spaces (sf)
	36 Total Garage Parking Spaces	50 Spaces (17,500 sf)	0 Spaces (sf)

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
37	Parking Spaces assumed to be leased for Private Use:	126 Spaces (44,100 sf)	65 Spaces (22,750 sf)
Total Private Building Program:			
38	Retail (GSF)	30,820 sf	44,400 sf
39	Housing - Market Rate (GSF)	198 Units (262,269 sf)	152 Units (235,916 sf)
40	Housing - Affordable (GSF)	35 Units (35,734 sf) 18% of total units	28 Units (22,244 sf) 18% of total units
41	Open Space (GSF)	22,333 sf (50%)	0 sf
42	Parking Spaces for Retail	82 Spaces (28,700 sf)	0 Spaces (sf)
43	Parking Spaces for Residential	217 Spaces (75,950 sf)	0 Spaces (sf)
44	Private (Total)	299 Spaces and (455,806 sf)	0 Spaces and (302,560 sf)
45	Parking Spaces assumed to be leased for Private Use(WD):	126 Spaces (44,100 sf)	65 Spaces (22,750 sf)
46	Affordable Housing Units to Market Rate Units:	17.68%	18.42%
Public Building Program:			
Lot 5			
47	Replacement Parking Spaces	173 Spaces (60,550 sf)	40 Spaces (14,000 sf)
48	Parking Spaces for New Retail	0 Spaces (sf)	148 Spaces (51,800 sf)
49	Parking Spaces for Residential	0 Spaces (sf)	196 Spaces (68,600 sf)
50	Open Space (50%)	16,275 sf	20,300 sf
51		173 Spaces and (76,825 sf)	384 Spaces and (154,700 sf)
Wallace Deck			
52	Replacement Parking Spaces	0 Spaces (sf)	0 Spaces (sf)
	Parking Spaces for New Retail		30 Spaces (10,500 sf)
	Parking Spaces for Residential		34 Spaces (11,900 sf)
53	Open Space (50%)	6,058 sf (50%)	6,500 sf (50%)
54		0 Spaces and (6,058 sf)	64 Spaces (28,900 sf)
55	Note: Remaining Public Parking Spaces after build out (WD):	195 Spaces (68,250 sf)	255 Spaces (89,250 sf)

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Total Public Building Program:		
56	Replacement Parking Spaces:	173 Spaces (60,550 sf)	40 Spaces (14,000 sf)
57	Parking Spaces for New Retail (Private)	0 Spaces (sf)	178 Spaces (62,300 sf)
58	Parking Spaces for Residential (Private)	0 Spaces (sf)	230 Spaces (80,500 sf)
59	Open Space (50%)	22,333 sf (50%)	26,800 sf (50%)
60	Total:	368 Spaces (82,883 sf)	703 Spaces (183,600 sf)
	Public and Private Components as a % of Total		
	*This is just for building program, not cost allocation, after build out.		
61	Private (Retail, AFF/MR Units, Parking):	84.61%	62.23%
62	Public (Replacement Public Pkg., 50% of open space, Other):	15.39%	37.77%
	Public Parking Analysis:		
63	Constructed Replacement Public Spaces at Lot 5:	173 Spaces (60,550 sf)	40 Spaces (14,000 sf)
64	Remaining Public Spaces in Wallace Deck after build out:	195 Spaces (68,250 sf)	255 Spaces (89,250 sf)
65	Total Public Parking after build out (WD + Lot 5)	368 Public Parking Spaces (128,800 sf)	295 Public Parking Spaces (103,250 sf)
66	Existing Public Parking Spaces (WD + Lot 5)	494 Spaces (WD: 321, Lot 5: 173)	494 Spaces (WD: 321, Lot 5: 173)
67	Difference in Replacement Public Parking:	-126 Spaces	-199 Spaces
	Footnotes:		
	(27) Assume that the 12 surface spaces at Lot 5 are not included in the cost for the garage.		
	(45) Neither Developer addresses what happens to the shortfall of replacement public parking (WD or Lot 5).		
	(47) Ram has planned for the full replacement of the 173 spaces at Lot 5, Ram is not using any of these spaces for Private use.		
	(59) SPPRE assumes it is reasonable for the Town to pay for 50% of the cost of open space, for the amt. exceeding current requirements in the LUMO		

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
2.20	Master Plan and Architectural Design		
2.21	Master Plan		
	68 General assessment of Master Plan	Good	Good
	69 Responsiveness to Town's Guiding Principles	Excellent	Excellent
	70 Rationale for Plan	Good	Good
	71 Proposed Character in perspective sketch	Fair	Good
	72 Proposed Massing	Good	Scale of Lot 5 is massive, WD is Good, combined Fair assessment
2.22	Architectural Design		
	73 General assessment of Architectural design	Good	Excellent (issue with building scale)
	74 Level of design development to date	Good	Excellent
	75 Conceptual Building Elevation on Franklin St.-Lot 5	Good: 4-7 story on Franklin St.	Fair: 2-9 story Apartment building on Franklin St.
	76 Conceptual Building Elevation on Rosemary St.-Lot 5	Good: 3-story	Fair: 5 story, no elevation step back on Rosemary
	77 Pedestrian Spaces at Lot 5	Excellent	Good
	78 Conceptual Building Elevation, Rosemary St.-WD	Excellent	Good. Row housing style lacks character.
	79 Conceptual Building Elevation, Henderson St. -WD	Fair	Excellent, corner retail and residential
	80 Pedestrian Spaces at Wallace Deck	Fair	Good. Open space on garage could be more visible from Rosemary
	81 Structural Grid System	Yes	Yes
	82 Floor Plate Efficiency	Condos: 85%; Retail 90%	Lot 5 Condos: 66%; Lot 5 Retail: 100% WD Condos: 79%; WD Retail: 100%
	83 Building Materials	Fair, use of brick, cornices.	Good, significant use of brick
	84 Proposed working rel. w/ Town thru Urban Design Process	Excellent	Good
3.00	Financial Analysis		
3.10	Development Cost - Public and Private		
	85 Total Development Budget (TDB) all projects	\$74,961,694	\$62,638,091
	86 Total Development Budget (TDB) private dev.	\$66,490,859	\$42,009,654
	87 Total Development Budget (TDB) public dev.	\$8,470,835	\$19,328,438
	88 Total Hard Cost and % of TDB	\$54,901,943 (73%)	\$42,951,469 (69%)
	89 Total Soft Cost and % of TDB	\$12,909,751 (17%)	\$18,386,622 (29%)
	90 Land Lease Payout to Town and % of TDB	\$7,150,000 (10%)	\$1,300,000 (2%)
	91 Method used to determine Land Value	Not specified, indicate approx. \$53.08 psf at Lot 5	Residual Land Value based on required returns for Grubb
	Development Cost - Lot 5		
	92 Total Development Budget (TDB)	\$50,531,386	\$45,393,632
	93 Total Development Budget (TDB) private dev.	\$42,242,197 (84%)	\$30,530,322 (67%)
	94 Total Development Budget (TDB) public dev.	\$8,289,190 (16%)	\$13,563,310 (30%)

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
95	Total Hard Cost and % of TDB	\$37,971,832 (75%)	\$31,948,532 (70%)
96	Total Soft Cost and % of TDB	\$8,559,554 (17%)	\$12,145,100 (27%)
97	Land Lease Payout and % of TDB	\$4,000,000 (8%)	\$1,300,000 (3%)
	Development Cost - Wallace Deck		
98	Total Development Budget (TDB) all projects	\$24,430,308	\$17,244,459
99	Total Development Budget (TDB) private dev.	\$24,248,663 (99%)	\$11,479,333 (67%)
100	Total Development Budget (TDB) public dev.	\$181,646 (1%)	\$5,765,128 (33%)
101	Total Hard Cost and % of TDB	\$16,930,111 (69%)	\$12,302,937 (71%)
102	Total Soft Cost and % of TDB	\$4,350,197 (18%)	\$4,941,522 (29%)
103	Land Lease Payout and % of TDB	\$3,150,000 (13%)	\$0 (0%)
	Footnotes:		
	(85) (Ram)The Total Development budget is slightly different, \$281,760, because of the 10 parking spaces (Skanska vs. Building Program)		
3.12	Budget and Cost per GSF - Lot 5		
104	Retail Building Cost (Hard, Soft, Land, Pkg)	\$6,471,537 (\$236.88 /gsf)	\$9,071,028 (\$245.83 /gsf)
105	Retail Building Cost (Hard only)	104.00 /sf	92.25 /sf
106	Residential Building Cost (Hard, Soft, Land, Pkg)	\$35,770,660 (\$205.12 /gsf)	\$25,834,294 (\$146.74 /gsf)
107	Residential Building (Hard Only)	104.00 /sf	153.75 /sf
108	Residential Cost Per Unit (Hard, Soft, Land, Pkg)	\$288,473 /Unit	\$215,286 /Unit
109	Garage (Private Portion, Hard+Soft)	\$7,930,759 (\$31,850.44 /space)	\$0 (\$0.00 /space)
110	Garage (Retail, Hard+Soft)	\$1,940,861	\$0
111	Garage (Residential Hard+Soft)	\$5,989,898	\$0
112	Total Private (includes Parking):	\$42,242,197	\$34,905,322
113	Garage (Public Portion - Hard)	\$4,395,584 (\$25,408.00 /space)	\$10,488,309 (\$27,313.30 /space)
114	Cost per parking stall (Hard +Soft)	410 spaces below-grade \$30,064 /space	384 spaces, combination above- and below-grade \$27,313 /space

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
		Town pays for Underground Parking Delta (\$3,577,448), 50% of open space(\$316,158) and 173 underground spaces(\$4,395,584)	Town pays for all parking at Lot 5 (1 level of underground parking and 4 level garage at Lot 5) (\$10,488,309), contribute a subsidy to Residential project(\$4,375,000), and sell Lot 5 land to the Retail component (\$1,300,000).
115	Town Responsibilities:		
116	Total Investment required by Town (Lot 5):	\$8,289,190	\$10,488,309
117	Total Public and Private (Lot 5):	\$50,531,386	\$45,393,631
	Footnotes:		
	(104) (Ram) There is no land cost allocated in the Retail component.		
	(108) (Ram and Grubb) This average cost includes both Affordable and Market Rate Units.		
	(109) (Ram) Cost per space is higher because they have land, soft costs, etc. included. Ram did not allocate any other costs to the Town other than Hard.		
	(110) (Ram) There are 12 surface parking spaces that Ram projects at Lot 5 (70-12) totaling 58 spaces in underground. Assume cost is absorbed in the site work budget.		
	(115) (Ram) Did not clearly illustrate how they derived the Parking Delta Cost.		
	(115) (Grubb) Grubb uses a land residual value to determine the value of the Lot 5 land.		
	(116) (Ram) These is some differences in the numbers provided by Ram for the cost of the Lot 5 Garage, it is minor and may impact the budget only 2%.		
3.13	Budget and Cost per GSF - Wallace Deck		
118	Retail Building Cost (Hard, Soft, Land, Pkg)	\$599,551 (\$171.30 gsf)	\$1,385,219 (\$184.70 gsf)
119	Retail Building Cost (Hard only)	104.00 /sf	92.25 /sf
120	Residential Building Cost (Hard, Soft, Land, Pkg)	\$23,649,111 (\$191.31 gsf)	\$13,440,113 (\$163.68 gsf)
121	Residential Building (Hard Only)	104.00 /sf	143.50 /sf
122	Residential Cost Per Unit (Hard, Soft, Land, Pkg)	\$216,964 /Unit	\$224,002 /Unit
123	Garage (Private Portion, Hard+Soft)	\$1,795,813 (\$35,916.26 /space)	\$0 (\$0.00 /space)
124	Garage (Retail, Hard+Soft)	\$0	\$0
125	Garage (Residential Hard+Soft)	\$1,795,813	\$0
126	Total Private (includes Parking):	\$24,248,663	
127	Garage (Public Portion - Hard+Soft)	\$0	\$2,419,127
128	Cost per parking stall	50 underground spaces \$35,916 /space	64 above grade on 4th level, \$37,799 /space

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
129	Town responsibilities:	Town pays for 50% of open space (\$181,646)	Town pays for a half level, 64 spaces, of parking on top of WD(\$2,149,128), contribute a subsidy to the Residential project (\$2,940,000), and contribute a subsidy to the Retail project (\$406,000).
130	Total Investment required by Town (WD):	\$181,646	\$2,419,127
131	Total Public and Private (WD):	\$24,430,308	\$17,244,459
	Footnotes:		
	(122) (Ram and Grubb) This average cost includes both Affordable and Market Rate Units.		
	(128) (Ram) There is a 1 space parking difference in the Skanska estimate and the building program. SPPRE assumes this difference is negligible.		
	(128) (Grubb) SPPRE questions the total cost of \$64 /space for the 64 space extension on level 4.		
3.20	Pro Forma - Lot 5		
	Retail Rental Rates (LSF):		
132	Retail	\$35 on Franklin St. ; \$25 on Church St.; \$20 on Rosemary St. (Average: \$27.58)	\$30 on Lot 5 Square, \$22 on Rosemary
	Sales Price Point:		
133	Market Rate Housing	\$348,266	\$246,509
134	Affordable Housing	\$100,300	There does not appear to be affordable housing in Lot 5.
135	Assumed Inflation Rate (Retail)	3% CPI Annually	3% CPI Annually
136	Projected Loan-to-Value (LTV)	80%/20% Construction Loan & Permanent Debt	70%/30% Construction Loan ---- 75%/25% Permanent Debt
	Equity (includes Private Parking costs)		
137	Amount of Equity (Residential)	\$7,154,132	\$3,375,288
138	Amount of Equity (Retail)	\$1,294,307	\$2,721,308
139	Total Equity:	\$8,448,439	\$6,096,597

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Debt (includes Private Parking costs)		
140	Amount of Debt (Residential)	\$28,616,528	\$18,084,006
141	Amount of Debt (Retail)	\$5,177,230	\$6,349,720
142	Total Debt:	\$33,793,757	\$24,433,725
	Construction Loan:		
143	Interest Rate:	not provided	6.50%
144	Term:	not provided	Interest only
145	Loan to Cost (LTC):	Assume 80%/20%	70%
	Permanent Loan (Retail):		
146	Interest Rate:	Not Provided (Retail, SPPRE Assumes 6.75%)	7.00%
147	Term:	Not Provided Assume 20 Years	20 years
148	Loan To Value (LTV):	Assume 80%/20%	75% / 25%
149	Cap Rate for Reversion (Retail):	7.50%	9.00%
	Financial Measurements:		
	Retail		
150	Unleveraged IRR 10yr:	8.67%	10.52%
151	Leveraged IRR 10yr:	19.74%	20.58%
152	Return on Cost (Yr. 3):	8.96%	10.36%
153	Debt Coverage Ratio (Yr. 3):	1.23	1.29 (year 4 after refinance)
	Condo		
154	IRR (yrs 1-3)	25.94%	66.48%
155	Pretax Net Income	10.03%	20.00%
156	Return on Equity	58.62%	77.16%
157	Return on Cost	11.72%	23.15%

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
158	Town Owner Rep. Fee included	Yes (based on TDB, excludes land and marketing cost)	No
	Footnotes:		
	(136) (Ram) Does not offer a financing structure for each component. Ram outlines an 80%/20% on the total project costs.		
	(143) (Ram) For the purposes of this analysis, SPPRE only assumes a permanent debt structure on the project. (no construction loan or refinance).		
	(149) (Grubb) Uses a 9% cap rate which lowers the resale value of the Retail Component, potentially understating returns. The nat'l avg. is approx. 8.0% (RE Forum 11/04)		
	(157) (Ram) This Return on Cost includes the cost of the affordable housing component and the smaller returns associated with its disposition		
	(158) (Grubb) There is a 1.5% Construction Management Fee that is not clear whether it includes the Owner Rep fee for the Town.		
3.21	Pro Forma - Wallace Deck		
	Rental Rates (PSF):		
159	Retail	\$25.00 sf on Rosemary	\$22.00 sf
	Sales Price Point:		
160	Market Rate Housing	\$268,926	\$134,835
161	Affordable Housing	\$110,133	\$254,670
162	Assumed Inflation Rate (Retail)	3% CPI Annually	3% CPI Annually
163	Projected Loan-to-Value (LTV)	80% / 20% Construction Loan & Permanent Debt	70% / 30% Construction Loan ---- 75% / 25% Permanent Debt
	Equity (includes Private Parking costs)		
164	Amount of Equity (Residential)	\$4,729,822	\$1,092,034
165	Amount of Equity (Retail)	\$119,910	\$9,566
166	Total Equity:	\$4,849,733	\$1,101,600
	Debt (includes Private Parking costs)		
167	Amount of Debt (Residential)	\$18,919,289	\$9,408,079
168	Amount of Debt (Retail)	\$479,641	\$969,654
169	Total Debt:	\$19,398,930	\$10,377,733

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Construction Loan:		
170	Interest Rate:	Not Provided	6.50%
171	Term:	Not Provided	Interest only
172	LTC:	Assume 80%/20%	70% / 30%
	Permanent Loan:		
173	Interest Rate:	Not Provided (SPPRE assumes 6.75%)	7.00%
174	Term:	Not Provided (SPPRE assumes 20 yrs)	20 years
175	LTV:	Assumes 80%/20%	75% / 25%
176	Cap Rate for Reversion (Retail):	7.50%	9.00%
	Financial Measurements:		
	Retail		
177	Unleveraged IRR 10yr:	12.24%	9.98%
178	Leveraged IRR 10yr:	27.62%	20.00%
179	Return on Cost (Yr. 3):	12.08%	10.79%
180	Debt Coverage Ratio (Yr. 3):	1.66	1.29% (year 4 after refinance)
	Condo		
181	IRR (yrs 1-3)	7.20%	91.82%
182	Pretax Net Income	2.77%	20.00%
183	Return on Equity	14.91%	72.57%
184	Return on Cost	2.98%	21.77%
185	Town Owner Rep. Fee included	Yes (excludes land and marketing cost)	No
	Footnotes:		
	(181) (Ram) Returns are significantly impacted on WD because of the underground parking.		
	(184) (Ram) This Return on Cost includes the cost of the affordable housing component and the smaller returns associated with its disposition.		

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
3.30	Town Income (Years 1-40)		
	See Following Section "Public/Private Finance Plan"		
4.00	Public/Private Finance Plan		
4.10	Land Lease Payments- Lot 5 and WD		
	Non Contingent, Non-Tax Income to Town (Yrs. 1-10)		
	Land Lease Terms (A-L)		
186	A) Base Rent (Yr. 1)	Land Lease Payout	\$0
187	Method for Calculation:	\$/sf of Retail LSF	None
188	Land Lease Payout Lot 5 (Year 1)	\$4,000,000 (non-contingent)	\$1,300,000 (purchase)
189	Land Lease Payout WD (Year 1)	\$3,000,000 (non-contingent)	\$0
190	WD Bond Retirement	\$150,000 (non-contingent)	\$0
191		\$7,150,000	\$1,300,000
192	A) Base Rent (Yrs. 3-10)	Base Rent equal to \$2.50 per square foot of Retail Net LSF at both sites, plus CPI increase.	\$0
193	Contingent or Non-Contingent	Non-Contingent	\$0
194	Total Base Rent to TCH - Lot 5	\$546,612	\$0
195	Average Annual Base Rent to TCH - WD	\$77,808	\$0
196	Cumulative Base Rent (Lot 5 and WD)	\$624,420 over 7 years of operations (including annual CPI increase)	\$0
197	B) Periodic adjustment to Base Rent	3% per year	None
198	C) Percentage Rent	None	None

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	D) Periodic adjustments to Percentage Rent		
199	E) Construction Rent	\$0	\$0
200	F) Subordination of any payments to Town?	No subordination, however mortgagor will require recourse in the event of loan default.	n/a
201	Land Lease Payout on Resid. Component?	Yes	Proposed a fee-ownership structure.
202	G1) Residential Land Lease Term	99 Years	
203	Land Lease Payout on Retail Component?	Yes, at Sale	Developer allocates \$1,300,000 for the purchase of Lot 5 from TCH. This offsets the TCH level of financial commitment to the other projects.
204	G2) Retail Land Lease Term	40 Years	n/a
205	H1) Town participation in sale proceeds (Housing)	(See Contingent Income line item, below)	\$0
206	H2) Town participation in sale proceeds (Retail)	Yes, the base rent in the current year divided by an 8.75% cap rate. (year 7 of operations, total proceeds of \$986,991)	\$0
207	Lot 5:	\$864,004	\$0
208	Wallace Deck:	\$122,987	\$0
209	Total Share of Net Sales Proceeds:	\$986,991	\$0
210	I) Maintenance/ Repairs	Addressed in Section 4.2	Addressed in Section 4.2
211	J) Insurance and Bond Requirements	Insurance will be satisfactory to the Town	Not Provided

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
212	K) Performance and Payment Bonds	Will obtain a Performance Bond and Guaranteed Maximum Price (GMP).	Not Provided
213	L) Detailed proposed lease terms	99 years Residential, 40 years Retail	Proposed a fee-ownership basis
	Other Income:		
214	Public Art Fund:	\$629,794	
215	Contribution for Programming of Public Space:	\$200,000	\$0
216	Town Permit and Impact Fee:	\$277,591	\$942,342
217	Total Other Income:	\$1,107,385	\$942,342
218	Total Non-Contingent. Non-Tax Income to Town: (Yrs. 1-10)	\$9,868,796	\$2,242,342
Investment by Town (1-40)			
SPPRE Estimated Land Value (1)			
ACS Land Appraisal			
219	Lot 5:	\$3,150,000	\$3,150,000
220	Wallace Deck:	n/a	n/a
Pickett Sprouse Valuation Method			
221	Lot 5:	\$7,628,275	\$5,831,250
222	Wallace Deck:	\$3,766,863	\$2,402,750
Combined Land Valuation			
223	Median Valuation Lot 5	\$5,389,138	\$4,490,625
224	Wallace Deck:	\$3,766,863	\$2,402,750
225	Total estimated land value:	\$9,156,000	\$6,893,375

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Other Investment Required by Town:		
226	Lot 5:	\$8,289,190	\$13,563,310
227	Wallace Deck:	\$181,646	\$5,765,128
228	Subtotal:	\$8,470,835	\$19,328,438
229	Total Investment required by Town (In 217+220):	\$17,626,835	\$26,221,813
	SPPRE Estimated Land Value (2)		
	ACS Appraisal		
230	Lot 5	\$3,150,000	\$3,150,000
231	(SPPRE valuation) Wallace Deck	\$2,184,965	\$2,184,965
232		\$5,334,965	\$5,334,965
	Other Investment Required by Town:		
233	Lot 5:	\$8,289,190	\$13,563,310
234	Wallace Deck:	\$181,646	\$5,765,128
235	Subtotal:	\$8,470,835	\$19,328,438
236	Total Investment required by Town:	\$13,805,800	\$24,663,403
	Parking Income (Yrs. 1-10)		
237	Net Income from Operations (Parking Yrs 1-10)	\$3,214,683	\$3,762,150
238	Total Parking Income	\$3,214,683	\$3,762,150
239	Revenue Bond (Supportable Amount)	\$4,772,897	\$4,573,783
	Term: 25 years, Coupon Rate: 5.0%, DCR: 1.20)		
	Returns for Town using SPPRE Valuation (1)(ACS and PS)		
	Town Return on Investment		
240	Internal Rate of Return (IRR) (1-10)	5.27%	Negative return
	Returns for Town using SPPRE Valuation (2) (ACS)		
	Town Return on Investment		
241	Internal Rate of Return (IRR) (Yr. 1-10)	12.02%	Negative return

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Tax Revenue		
	Sales Tax (Yrs. 1-40)		
242	Total Sales Tax	\$16,026,043	\$22,880,554
243	Total Property Tax to Town (Yrs 1-25)	\$12,758,092	\$5,406,050
244	Self Financing Bond (Supportable Amount)	\$5,993,728	\$2,539,752
	Term: 25 years, Coupon Rate: 5.0%, DCR: 1.20)		
245	Property Income, Parking Income, Sales Tax	\$19,240,726	\$26,642,705
246	Total Supportable Bond(s):	\$10,766,625	\$7,113,536
247	Net Present Value of Future Cash Flow to Town:	\$33,685,000	\$30,592,124
248	Contingent Income	Town may receive 20% of the net profits of Condominium sales contingent on Ram first reaching an ROC of 15%. (Current ROC calculated by SPPRE on Condo Units; Lot 5: 11.72%, WD: 2.98.%)	In the event the projected Property Tax, Sales Tax and Parking Income does not support the Bond debt service, Grubb offers Town back-end participation once equity investor's returns are met.
	Footnotes:		
	(206) (Ram) Only illustrate 7 years of operation. The Town has significantly less participation if the developer sells the Retail early in operations.		
	(206) (Ram) SPPRE suggests that this payment be based on the following year's base rent, and consider using a more competitive cap rate for the Town.		
	(216) (Ram) Ram needs to add \$2,000 per unit for School Impact Fees .		
	(221) (Ram) (Grubb) Pickett-Sprouse method is \$25.00/sf of private building area.		
	(226) (Grubb) The Town contributes a subsidy to the developments and then are privately owned and taxed.		
	(231) (Ram) (Grubb) This is just the area of the Wallace Deck parcel at \$41.00/sf, equal to that of Lot 5 (ACS Appraisal).		
	(239) (Ram) (Grubb) This bond amount is based off the 25 year income stream of Net Parking Income.		
	(237) (Ram) It is not clear wether this is gross or net parking income projected		
	(237) (Ram)(Grubb) It is not clear if both developers have included the significant non-operating expenses on the parking balance sheets.		
	(243) (Grubb) Illustrate 95% of assessed value going to Town (Town Income Summary), but only show 85% of value being paid to Town (cash flow proforma).		
	(243) (Grubb) SPPRE recalculated at 85% of value, and .673 per \$100 (.673 = CH Downtown Revitalization, and Downtown Revitalization District).		
	(247) (Ram)(Grubb) Not weighted because the allocation of Sales Tax, Property Taxwere not calculated, non-operating expenses of public parking income excluded.		
	(248) (Ram) Does not explain what components (total project, residential, or retail) an ROC of 15% would have to be achieved on for the Town to participate in proceeds.		

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
4.20	Proposed Responsibilities		
	Town Responsibilities		
	Ownership / Operational Responsibilities:		
249	Management of Public Facilities	Will be divided between the 'building owners' and the Town. Building owners are Ram and the occupants.	TCH would manage the Public and Retail Parking.
250	Management of Public Space	Ram will own certain public portions of Lot 5 and WD. Ram will lease other public space back to the Town for \$10/year. The Town will eventually manage this public space. Ram has offered \$200,000 in initial programming for public space. Public space for the condominium units will be owned and maintained by the HOA.	Residential and Retail CAM charges would help pay for costs associated with maintenance of Public Space. Program Management is not described.
251	Public Art	TCH will assist Ram with managing this process with Town constituents. (is included in Total Dev. Budget)	Not Provided in Private Development Budget.
252	Management of Condominium Units	HOA	Assume HOA or Management Co.
253	Management of Retail	Ram Realty Company	Assume Grubb Management Co.
254	Construction	Developer	Developer
255	Financial Investment	Ram has offered to assist the Town to obtain financing.	Grubb has offered to look for grant funding for parking and other infrastructure costs to offset Town "subsidy". Indicates success in other projects.
256	Total Town Investment:	Responsible for financing public components, replacement spaces and public space. TCH will manage public and residential parking, and open space program management and maintenance.	Town "contributes" subsidies to the residential components at both sites, a subsidy to the retail component at Wallace Deck, and receives a purchase price of \$1,300,000 at Lot 5 on the retail components.

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
	Developer Responsibilities		
257	Design	Work with Town and Public Arts Committee	Developer will work with TCH through design process
258	Finance	Ram responsible for private debt (80%) and equity (20%),	Grubb Responsible for all debt and equity
259	Development Management	Ram and Skanska responsible for Construction and Development	Grubb and Resolute or Rogers Construction Co. (No info on Rogers Construction Co.)
260	Construction	Ram and Skanska, with Town rep present at meetings if desired.	Indicate TCH will be partner during construction like debt and equity partners.
261	Facility Operation	Mainly Retail Component	Mainly Retail Component
4.30	Equity and Debt		
262	Amount of Debt	\$53,192,687	\$34,811,458
263	Amount of Developer Equity	\$13,298,172	\$7,198,196
4.40	Finance Commitments		
264	Letter of Intent for Equity Investment	Provided, Comercia Bank, Prudential Bank	Provided, Regions Bank, Wachovia Bank, and Bank of America
265	Letter of Intent for Construction Loan	Provided, Comercia Bank, Prudential Bank	Provided, Regions Bank, Wachovia Bank, and Bank of America
4.50	Capital Investment Required by Town		
266	Town's required capital investment	\$8,515,000 Gross (after land lease payments by Ram: \$1,100,000)	\$19,328,438
267	Public financing instrument suggested	GO Bond or Revenue Bond covered by Base Rent and Parking Income.	Tax Increment Finance Bonds
	Revenue Bond Supported by:		
268	Non-tax income paid to Town	Yes (Parking Revenue and Retail Base Rent)	Parking Income, Sales Tax
269	Property Tax generated by projects	Alternative sources of funding	Yes

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
5.00	Plan to Minimize Construction Impact		
	270 Perceived impact from construction	Blasting is required. Offer many techniques to minimize impact.	Want to minimize blasting and construction disruption in Town, hence, they plan these major actives during the summer months.
	271 Is blasting chosen for Lot 5 bedrock removal?	Yes	Yes, would like to minimize
	272 If so, then plan to minimize impact offered?	Yes	Yes
6.00	Preliminary Approval Rights for Town		
	*Listing of Rights unique to this project		
	273	1. Easements	1. Master Declaration
	274	2. Parking Agreements	2. Reciprocal Operating Agreement between the condominiums, retail spaces and parking decks.
	275	3. Retail Property Management Agreement	3. Air Rights Agreements
	276	4. Condominium Association Documents	4. Public Offering Statements
	277	5. Workforce Housing Agreements	
	278	6. Development team members	
	279	7. Selection of a General Contractor	
	280	8. Sale, transfer and/or assignment of the leasehold	
	281	9. Types of retail tenants	
	282 Notes:	Ram has experience with negotiating complex parking agreements with public entities.	
	283 Overall Assessment	Excellent	Poor
7.00	Town Financial and Dev. Safeguards		
	284 1	Ram will obtain GMP from contractor	"We will be able to provide specific details for minimizing the Town's risk exposure at the next stage of the process"
	285 2	Ram will be solely responsible financially.	
	286 3	Guaranteed completion date will be explored. There may be additional costs with this option.	

Evaluation Criteria		Ram Development Company	Grubb Properties and Leyland Alliance
287	4	Construction contract will be open to the Town.	
288	5	Ram responsible for construction loan.	
289	6	Ram will pay off WD bond of \$150,000	
290	7	Retail Base Rent (with CPI increase) not contingent on performance.	
291	Overall Assessment	Excellent	Poor
8.00	Preliminary Dev. and Construction Schedule		
292	Construction Term:	Lot 5: July 2007 - August 2009 (21 months); July 2007 - Nov. 2008 (16 months) WD:	Lot 5: August 2007 - March 2009 (17 months); WD: Feb. 2008 - March 2009 (13 months)
9.00	Statement to Allow a Background Check		
293	A305 provided	Yes	Yes
10.00	Level of Specificity/Subj.Criteria		
	Level of Specificity		
294	Urban Design	Good	Good
295	Architecture	Fair	Excellent
296	Tenant Mix	not specified	not specified
297	Financing Commitments	Good	Good
298	Tenant Commitments	not specified	not specified
299	Financial Analysis	Good	Excellent
300	Approval Rights/Safeguards for Town	Excellent	Poor
301	Public/Private Finance Plan	Good	Fair-Poor
	Subjective Criteria		
302	Proposed Interaction with Town	Excellent	Good
303	Level of Enthusiasm of Developer	Excellent, Ram personnel were in CH for 25 business days.	Good
	Level of Creativity:		
304	Finance Plan	Good	Poor
305	Design	Fair	Fair
306	Perceived Level of Flexibility	Good	Fair
307	Assumptions: Aggressive. or Conservative?	Conservative	Conservative