



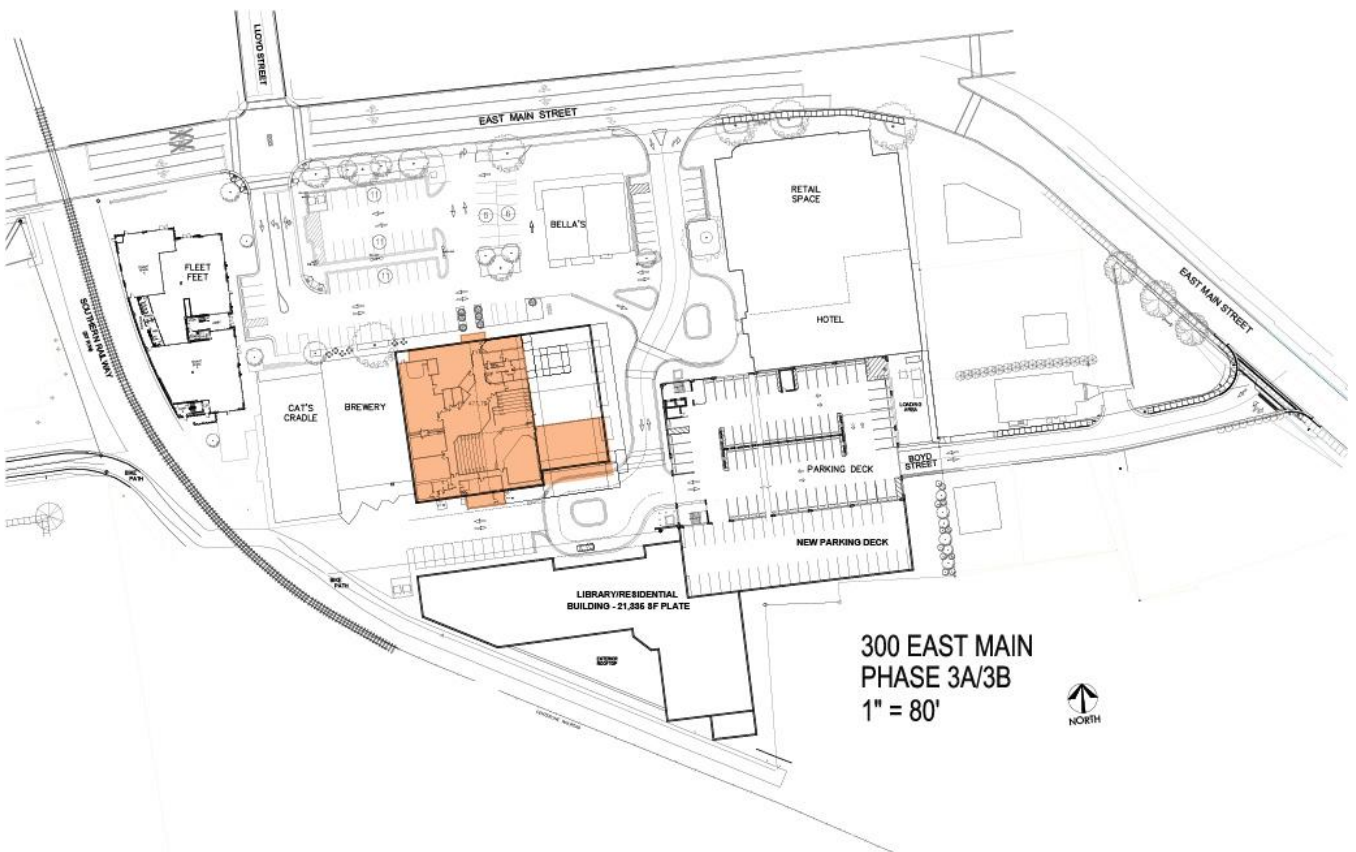
## Carrboro Arts and Innovation Center

### Notes on the Feasibility, Viability and Economic Impact of the Carrboro Arts and Innovation Center November 21, 2014

The Carrboro Arts and Innovation Center offers our community a project that can be measured by its positive social impacts, its very viable economic impact, and its environmental impact within Carrboro's town center. Managed by the proposed Partners for Arts and Innovation, the Center provides new homes and performance centers for The ArtsCenter, Kidzu and Carolina Performing Arts. This new Partnership will manage this facility as an 501c3 Educational Foundation.

Envisioned as a project that would be a Public Private Project, this project will be funded 50% by the Town of Carrboro and another 50% through private funding sources that would include corporate funding, naming rights and philanthropic grants and gifts. Public funding is projected to include occupancy and property tax revenue.

It is important to note that this project can only happen through a development agreement that would require the ArtsCenter to relocate to a temporary location in order to facilitate the construction of a new hotel on the site of the existing ArtsCenter as shown below.



*The new hotel is shown as the dark boundary lines around the ArtsCenter shaded above. The project also includes the new proposed Orange County Library with housing above along with an expanded parking deck.*



## Carrboro Arts and Innovation Center

### **PART ONE :: Project Feasibility**

Key to the understanding of the project feasibility is the acknowledgement that this is one project: a hotel, retail building and an Arts and Innovation Building. As a non-profit, the ArtsCenter building is not part of Carrboro's tax base. With this proposed funding plan the hotel taxes would fund the 50% of the debt service required to build the Arts and Innovation Building, hence no new taxes are contributed to Carrboro's tax base. If this project does not happen, there is no new tax base as well.

What is contributed is the positive new economic impact of the hotel, the new retail and the economic impact of the bigger and better Arts Center, the impact of Kidzu ,the Carolina Performing Arts and the impact of all the many non profit performing arts organizations that will present at the new Center.

#### **The Partners Responsibility**

The Partners for Arts and Innovation, as an individual entity, will be responsible to operate the Center according to an agreed upon operating agreement. This agreement will further specify guarantees to the Town for its upkeep including all the day to day maintenance and the long term capital improvements through the term of the financing.

The Partners guarantee all net operating revenue by maintaining a maintenance endowment and will fund the long term capital improvements.

The Partners will raise 50% of the capital required to build and upfit this project. This is estimated as \$7.5 Million with \$4.5 Million going to debt service and another \$3 Million for exhibits, fixtures and equipment.

#### **The Town and Counties responsibility**

Carrboro would own this facility and will lease this facility to the Partners

#### **What Happens if The Hotel is Not approved and Constructed?**

If the Hotel is not constructed as agreed upon, the Carrboro Arts and Innovation Center will not be built as proposed.

#### **What Happens if the money is not raised prior to Construction?**

If the Partners for the Arts and Innovation does not raise the \$4,500,000 necessary to construct this project, the CAIC will not be constructed even if the Hotel is constructed. If the Partners do not raise the additional \$3,000,000 for the Kidzu exhibits, the exhibits can be phased. It has been determined that approximately \$1,000,000 of the exhibit budget be spent as part of the Construction phase of the project. Please note the schedule for the opening on the Center is January 2018. The Partners can continue raising money through the construction of the project.

### **PART TWO :: Viability of the Center**

This projects viability is an important issue for the Public and Private funders and is based on the viability question of the Partners individually over the term of the debt service. What happens if one of the Partners goes away? What if one of the partners cannot pay their share? The following Questions and Comments apply:

## Carrboro Arts and Innovation Center

### **The ArtsCenter?**

#### **What happens if one or all the Partners cease to exist or cannot meet their financial obligations.?**

The construction of the project will be fully funded with contracted and guaranteed funds before the final approval of the project and is allowed to proceed. If one or all of the individual partners cease to exist, The Town would still own a fully funded building, one that could be sold or repurposed. The Town and the County would have only paid for one half of the capital costs of the project.

#### **The Partners have guaranteed 50% of the Capital Costs/ Debt Service. What Happens with this money?**

Upon the approval of this project, the monies are turned over and or gifted to the Town of Carrboro to pay for the debt Service on this project. The \$7.5 million dollars committed to be privately raised prior to construction represents 15 years of the Town's debt service.

#### **What is the Viability of the Arts Center?**

The ArtsCenter has been providing Arts education and community entertainment for 40 years. It has been supported by many of our community leaders and thousands and thousands of community members. Our mission is to provide arts education to our community and has excelled at doing so. Financially it has had its ups and downs, but it is still here and intends to stay in Carrboro. Over the last 40 years the ArtsCenter has learned that it is okay to struggle because we believe in our mission. *Please see the Arts Center Fast Facts below.*

Over the last 5 years the Arts Center has paid approximately \$500,000 in principal and Interest in debt service to pay for our building. That is \$500,000 we would not have paid out of our operations budget, making us much more viable. In addition, as has been represented on our Form 990 we have also depreciated our building by over \$150,000 over the last 5 years as well.

Included below is an analysis of our approved 2015 Operations budget with the ArtsCenter staying in its current location and the same budget in a new building as proposed here. Please note that the Arts Center would pay more for occupancy expenses because of common cleaning/janitorial expenses for a larger building in addition to a \$60,000 Partners management expense

## Carrboro Arts and Innovation Center

**Project: The Center for Arts and Innovation (CAI) .**

**Three partners: The ArtsCenter; Kidzu Children's Museum; Carolina Performing Arts.**

- 1. Define the ability of the project to show direct measurable enhancement to sports, cultural, arts facilities and services in Carrboro. Enhancement shall be described to address unmet needs not now being served, inadequate existing facilities, or future needs of the sport, cultural or arts programs in Carrboro.**

Our vision is to develop, design, construct and operate a new Center for the Arts and Innovation as part of Carrboro's continued legacy to it's future as a place for creative living. The CAI will provide a permanent home to our innovation partnership that will allow each to thrive as individuals because they make each other stronger together as well as to provide an economic engine that will allow Carrboro to continue to excel as a place for the arts and creative thought.

- 2. Define economic impact on hotels, motels and restaurants in Carrboro.**

The Center for Arts and Innovation is expected to draw 200,000 visitors per year. The Arts District, including the CAI, the new hotels and retail will be a dynamic area that will increase the amount of time visitors and workers spend in the area.

- 3. Describe operational budgetary impacts on the Carrboro budgets of the project by both capital construction and annual operating costs.**

The CAI project provides a funding plan that will fully fund the project without any of Carrboro's general funds and provides an operating plan for the CAI that funds an endowment and pays for all future capital improvements and expenses.

- 4. Ratio of private and public investments and level of commitment for private funding.**

To be determined.

- 5. Impact on existing infrastructure, such as roads, water and sewer facilities.**

To be determined.

- 6. What is the countywide benefit?**

See cost-benefit analysis.

- 7. What is the cultural impact of this project?**

The CAIC will become part of Carrboro's continued legacy to it's future as a place for creative living.

## Carrboro Arts and Innovation Center

### 8. Cost-benefit analysis.

Based on the formula provided, the CAIC and Hotel construction phase impact to the local economy will be \$22,520,540. The annual impact to the local economy will be \$20,706,000. Total construction costs would be \$29,000,000.

#### I. Construction Phase:

##### A. Local Spending in the Orange County economy:

B.	\$16,000,000	Hotel	
	\$13,000,000	CAIC	
	<b>\$29,000,000</b>	<b>Total Construction Costs</b>	
	% paid to Local	X .6	<b>\$17,400,000</b>
	% spent in Local Economy	x .7	<b>\$12,180,000</b>
		<u>x 1.70</u>	
		<b>\$20,706,000 (1A)</b>	

C. **New Spending in Restaurants/Hotels:** \$20,706,000 x .03 = \$621,180 (1B)  
 1A x .03 = IB

C. **Impact on Public Sector Budgets:** \$20,706,000 x .06 = \$1,242,360 (1C)  
 1A x .06 = IC

**C2. Total public cost for infrastructure as required by development regulations and jurisdiction (roads, water, sidewalks)** \$50,000

**BENEFITS (IA+IB+IC) = \$22,570,540**  
**COSTS (IC2) \$50,000**  
**Total Economic Impact of Construction \$22,520,540**

#### II. Operations:

**Assuming the combined visitation of all three partners is 200,000 per year (The ArtsCenter, Kidzu Children's Museum, Carolina Performing Arts).**

A. **Annual Amount spent by out-of-county visitors in the Orange County economy:**  $100,000 \times .4 \times \$20 \times 2.01 =$   
**\$1,608,000 (2A)**  
*(Amount includes tickets, parking, store purchases)*

B. **Annual amount spent by in-county visitors who would have had to travel out of the county for similar venue:**  $100,000 \times .6 \times \$20 \times 2.01 =$   
**\$2,412,000 (2B)**

C. **Local Public Budget:**  $(\$1,608,000 + \$2,412,000) \times .06 =$   
**\$241,200 (2C)**  
 (IIA + IIB) x .06 = IIC

## Carrboro Arts and Innovation Center

### III. Period of Analysis

Applicant should show 10-year projections in operations revenue and subsidy.

Annual benefits: 2A + 2B + 2C	\$1,608,000 + 2,412,000 + 241,200=
=	<b>\$4,261,200</b>
Annual costs = IID	\$30,000

### Summary

Annual Benefit/cost ratio would be the total of the construction and operations ratios.  
**\$4,261,200 / \$30,000**

**The Above Analysis Is Based on the Impact of Only the Carrboro Arts and Innovation Center. The Average Hotel Annual Impact for the projected Hotel will average \$5.5M-\$6.5M**

**The Economic Impact of the Construction of the Hotel and the Carrboro Arts and Innovation Center is \$22,520,540 with an annual Economic Impact of an additional \$10,000,000 Impact.**

### **Schedule for project implementation.**

Final Plans Submitted to Carrboro for Planning Approval	March 2015
Final Plans Submitted for Construction Permit	March 2016
Start of Construction	June 2016
Construction Completed	September 2017
Opening of Carrboro Arts and Innovation	January 2018

## Carrboro Arts and Innovation Center



### FAST FACTS

11/21/14

**Mission:** The ArtsCenter exists in order to educate and inspire artistic creativity and to enrich the lives of people of all ages.

**Founded:** 1975

**Current Location:** 300-G East Main St. Carrboro

**Square feet of current location:** 20,000

**Number of Members:** 657

**Number of visitors each year:** During our last fiscal year of 2013-2014 more than 93,000 people attended our programs.

**Annual Operating Budget:** Board approved budget of \$1,499,992 with anticipated net contribution of \$43,811 for 2014-2015

**Number of people served in the following programs:**

#### **Education**

**ArtSchool** 91 professional teaching artists offered 483 classes across all artistic disciplines for adults at all levels.

**School Show Series** 98 performances at The ArtsCenter and in schools reaching 25,874 students.

**SuperFun Shows** 1665 individuals attended 9 weekend family performances

**Summer ArtsCamp** served 1,399 K-12 students during 11 weeks.

**AfterSchool Arts** served 95 children and is the area's only arts-based afterschool program.

**Artist Residencies** served 1,400 students in three Title one schools and one alternative high school with 18 curriculum-integrated art residencies

#### **Performances**

**Theater** More than 11,000 people attended the ArtsCenter Stage's original productions and 75 co-productions. The 12th Annual "10 By 10 in the Triangle" (10 minute play festival); "The Whipping Man"; "A Civil War Christmas"; "Gem of the Ocean"

**Concerts** 87 concerts by emerging and national touring artists. Such as, Chris Hillman & Herb Pedersen, The Honeycutters, Dar Williams, Cabaret Warsaw: Yiddish & Polish Jazz, Sultans of String, Missy Raines & The New Hip, & Beppe & Jack Lawrence.

#### **Gallery**

Monthly exhibits in The Nicholson Gallery include group shows, individual exhibits (local & regional artists), as well as four annual ArtsCenter exhibits (Instructor, Student, Photography Contest, & Community Art Exhibit).

**Number of "special events" or space rentals:** 55 events serving estimated 8,250 people per year.

**Our Community Partners Include:** The Ackland Museum, Chapel Hill (CH)/Carrboro City Schools, Friends of World Music, CH Rotary Club; CH-Carrboro PTA, Downtown CH Partnership, Empowerment Inc., Peoples Channel, Orange Co Human Services, Orange Co. Schools, OCAC, Town of Carrboro, Town of Chapel Hill, UNC-CH Global Initiatives, UNC-CH/Orange Co. Partnership for Children, WCHL-FM, & WCOM-FM, as well as many area businesses.

We provide services to: Redeye Distribution, Encouraging Word Church, New Life Church, Arts In Action, Carrboro Music Festival, First In Families, Girls Rock NC, UNC's Med School/ Business School/ Law School/ and Pharmacy School, NC Squares, NC Youth Tap Ensemble, Sacred Arts Tour, Triangle Jazz Orchestra, and Triangle Youth Ballet.

The estimated annual economic impact of The ArtsCenter is \$3,500,000, resulting in the equivalent of 111 full time jobs in the community and creating \$328,000 in state and local government revenue.\* Last year, we provided \$28,200 in scholarships for tickets and tuition to schools and underserved individuals in the community. \* This is based on Americans for the Arts economic impact formula.

The ArtsCenter is a major employer of established and emerging artists and a community partner with many nonprofit organizations and educational institutions in Orange County.



## Carrboro Arts and Innovation Center

**Special Highlight:** During 2013-2014 school year our Artist Residency program evaluated curriculum proficiency following each residency through assessments of the subject matter. Students who participated scored an average of 87% when tested on the covered curriculum. Many teachers reported that students who normally struggled academically had a much higher level of engagement and excelled during the residencies.

## Carrboro Arts and Innovation Center



### FAST FACTS

**Mission:** Kidzu Children's Museum inspires children, and the adults in their lives, to learn through creative play. Kidzu serves children from birth to 'tweens.

**Founded:** 2006

**Current Location:** As we wait for our new Children's Museum to open at University Mall in early 2015, we are serving the community in a temporary "pop up" programming space in University Mall.

**Square feet of current location:** The new Launch Pad is 8,500 square feet.

**Number of visitors each year:** Since Kidzu opened we have served over 250,000 visitors. In our original Launch Pad location in University Mall, from February 14 – July 26, 2014, we served over 30,000 visitors. Based on that information, Kidzu anticipates serving over 100,000 visitors in the new museum in 2015.

**Number served in outreach programs:** Kidzu serves ~5,000 people at offsite outreach programs. We also serve ~6,000 in the museum with free field trips, free programs and our "Pay What You Can Sundays."

**Number of members:** 751

**Number of special events each year:** 4-6

**Annual Operating Budget:** Draft budget for 2015 is \$792,669. Kidzu's Board reviewed this budget November 18<sup>th</sup> and with no major questions on income or expenses it is anticipated that it will be adopted unanimously.

**A list of some of the programs provided:**

"To Market, To Market" – teaches healthy eating, following recipes, shopping for healthy food at farmers' markets, practice financial literacy

"Makery Masterpieces" – teaches the art process used by famous artist like Monet, Pollock, Smithson, Matisse, Rembrandt and more. Young visitors are invited to create their own masterpieces based on a variety of techniques.

"STEAM in the Afternoons" – Kidzu adds arts to STEM education and invites visitors to "Get their STEAM on!" in the Makery, which features a variety of Science, Technology, Engineering, Art and Math programs. Each month a Makery Master and their specific skill (woodworking, weaving, building batteries, computer graphics, puppet making) is featured and related programs offered.

"Kidz's Voices" – engages children in learning through music, singing, dancing, learning the musical scale and all about instruments, even making instruments out of things like shoeboxes, coffee cans, etc.

"Teddy Bear Clinic" – doctors, nurses and other health professionals help children and adults learn about health by "examining" a teddy bear or other doll of a child's choice (listen to your heart, take your pulse, etc.) The town's ambulance and EMT's visit in the parking lot and tell visitors all about the ambulance and the equipment.

A variety of story times promoting literacy on a variety of topics, several bilingual.

A variety of programs for adults on nutrition, exercise, nursing, disease prevention is provided by appropriate professionals. Community resources for all type of parenting help are also provided.

## **Carrboro Arts and Innovation Center**

Kidzu also partners with 15 local organizations to provide programming either at Kidzu, their location or a public venue. These include:

- 1. Ackland Art Museum**
- 2. The Carrboro Farmers' Market**
- 3. El Centro Hispano**
- 4. The Frank Porter Graham Child Development Institute**
- 5. The Family Support Network of North Carolina**
- 6. FRANK Gallery**
- 7. Morehead Planetarium & Science Center**
- 8. North Carolina Botanical Garden**
- 9. North Carolina Symphony**
- 10. Orange County Head Start & Early Head Start**
- 11. Playmakers' Repertory Theatre**
- 12. Town of Chapel Hill/ Hargraves Community Center**
- 13. UNC Hospital School**
- 14. University of North Carolina – a number of departments**
- 15. North Carolina State University – variety of departments**

# CAROLINA PERFORMING ARTS

CREATE | PRESENT | CONNECT

**Mission:** The mission of Carolina Performing Arts is to *enrich lives by creating and presenting exceptional arts experiences and connecting them to the UNC community and beyond.*

We strive to nurture artistic innovation and the development of new works on and off campus; to challenge and inspire audiences with powerful and transformative performances; and to integrate the arts into the life of the University, embracing its mission of teaching, research, and public service.

**Founded:** 2005

**Performance venues:** Memorial Hall (1,430 seats), Gerrard Hall (375 seats), Playmakers Theater (240 seats)

**Total attendance at Carolina Performing Arts performances last season (2013-14):** 40,000

**Number of rentals events and attendance last year (2013-14):** 147 events, 42,000 attendance

Now beginning its tenth season, Carolina Performing Arts (CPA) has established itself among the premier university presenters in the United States with an international reputation for bold and artistically rich programming, a strong record of commissioned works, and exceptionally close relationships with many of the most important artists and performers working today. Part of the University of North Carolina at Chapel Hill, CPA contributes fully to an intellectually rich, diverse, and innovation-driven campus culture and is quickly emerging as a national leader in the integration of the performing arts into the academy. CPA cherishes its mandate to make the arts accessible and is committed to ensuring the arts become integral to the core academic mission of the nation's oldest public university.

Even though it is only a decade old, CPA has achieved a number of notable milestones. Highlights from the first nine seasons include:

- Presenting the world's largest centennial celebration of *The Rite of Spring* during the 2012/13 season. Performances included 11 new commissions; 27 performances by world-class artists; and two academic conferences (one in Chapel Hill, one at the Moscow State Conservatory) with the world's leading scholars on Stravinsky and dance. During the season, 20 UNC graduate and undergraduate courses focused on the seminal masterpiece.
- Presenting the Bolshoi Ballet in 2009, one of only three stops during the company's U.S tour;
- Establishing a strong classical music series, with presentations of major U.S. and international orchestras and recitals from many of the world's leading classical performers;
- Commissioning 38 new works, with 22 world premieres and 6 U.S. premieres.
- Supporting \$10 student ticket and voucher program (free tickets for qualified students) at a subsidized total value of over \$3.5 million;
- Welcoming over 360,000 people to Memorial Hall (1,434 capacity) for Carolina Performing Arts performances since its grand re-opening in September 2005, including 123,000 Carolina undergraduate and graduate students.
- Receiving an invitation to join the elite 20 campus Major University Presenters consortium in our second year.

#### **Emil J. Kang, Executive Director for the Arts**

As its first executive director for the arts, Emil Kang launched Carolina Performing Arts in 2005. Prior to coming to Chapel Hill, Kang served as president and executive director of the Detroit Symphony Orchestra. He has also worked with the Seattle Symphony, American Composers Orchestra, and as an orchestra management fellow with the League of American Orchestras. He serves on the boards of the Association of Performing Arts Presenters, and the Kenan Institute for the Arts at the North Carolina School of the Arts. Kang serves as professor of the practice in the Music Department. In May 2012, Kang was appointed by President Barack Obama to the National Council on the Arts.

The ArtsCenter FY15 Budget compared to occupancy in new building

	Current building		New Building	
REVENUE		Total		Total
Total Contributions	\$ 109,715		\$ 109,715	
Total Foundation	\$ 261,750		\$ 261,750	
Total Corporate	\$ 6,000		\$ 6,000	
Total Government Grants	\$ 89,700		\$ 89,700	
Total Fundraising	\$ 48,200		\$ 48,200	
Total Performance Revenue	\$ 290,444		\$ 290,444	
Total Program Revenue	\$ 713,256		\$ 713,256	
Total Operations Revenue	\$ 88,420		\$ 88,420	
Total Revenue		\$ 1,607,485		\$ 1,607,485
Total COGS	\$ 18,792		\$ 18,792	
Grand Total Revenue		\$ 1,588,693		\$ 1,588,693
		\$ -		
		\$ -		
EXPENSES				
Total Performance Expense		\$ 275,004		\$ 275,004
Total Program Expense		\$ 279,386		\$ 279,386
Total Salaries & Related Exp		\$ 504,088		\$ 504,088
Total Employee Benefits		\$ 43,550		\$ 43,550
Total Professional Fees		\$ 17,400		\$ 17,400
Total Supplies		\$ 13,395		\$ 13,395
Total IT Expenses		\$ 8,400		\$ 8,400
Total Postage & Mailing Services		\$ 3,584		\$ 3,584
Occupancy Expenses		\$ -		\$ -
Utilities				
Internet	\$ 1,500			
Telephone	\$ 6,900			
Electricity	\$ 17,241			
Water	\$ 5,500			See Proforma Attached
Gas	\$ 3,376			
Cleaning Service	\$ 1,560			
Exterminator Fees	\$ 1,238			
Decorating & Maintenance	\$ 6,300			
Main St. Prop CAM	\$ 32,159			
Property manager				
Other shared costs				
Total Occupancy Expenses		\$ 75,774		\$ 109,741
Total Equipment Rental & Maint.		\$ 19,543		\$ 19,543
Total Printing & Publications		\$ 21,998		\$ 21,998
Total Conferences & Meetings		\$ 5,436		\$ 5,436
Mortgage and loan interest		\$ 54,816		na
Total Depreciation Expenses		\$ 33,000		\$ 3,000
Total Insurance Expense		\$ 25,353		\$ 25,353
Total Bank Charges & Fees		\$ 30,720		\$ 30,720
Total Marketing Expenses		\$ 73,518		\$ 73,518
Total Board Expenses		\$ 480		\$ 480
Total Other Expenses		\$ 14,547		\$ 14,547
		\$ -		
Grand Total Expenses		\$ 1,499,992		\$ 1,449,143
Gross Contribution		\$ 88,701		\$ 139,550



ArtsCenter 990 info	mortgage and other loan interest	mortgage principal	depreciation	Total for year
2010 - tax yr. ending 6-30-11	\$ 75,176.00	\$ 56,588.00	\$ 28,920.00	\$ 160,684.00
2011 - tax yr. ending 6-30-12	\$ 70,590.00	\$ 53,130.00	\$ 32,631.00	\$ 156,351.00
2012 - tax yr. ending 6-30-13	\$ 58,059.00	\$ 43,700.00	\$ 32,680.00	\$ 134,439.00
Projected - 2013 - tax yr. 6-30-14	\$ 54,474.00	\$ 41,000.00	\$ 33,000.00	\$ 128,474.00
TOTALS	\$ 258,299.00	\$ 194,418.00	\$ 127,231.00	
Grand Total	\$ 579,948.00			

	A	B	C	P	Q	R	S	T
1	<b>KIDZU</b>							
2	<b>FY15 Operating Budget Draft - Based on 30% earned/70% donated model</b>							
3	<b>Based on 30% earned/70% donated model</b>							
4					<b>2015</b>			
5	<b>Earned Revenue</b>							
6	admissions				\$ 89,250			
7	family memberships				\$ 80,500			
8	Camps				\$ 12,375			
9	Birthday Parties				\$ 24,425			
10	Fee-based programs				\$ 6,000			
11	Punch Card/Passes, etc.				\$ 5,500			
12	Group Visits (Field trips, etc.)				\$ 1,750			
13	Room Rentals				\$ 1,000			
14	<b>Subtotal:</b>				<b>\$ 220,800</b>			
15								
16	<b>Direct Support</b>							
17	Individual Gifts							
18	Board Gifts (100% participation)				\$ 5,000			
19	Individual Gifts				\$ 138,175			
20	Corporate Sponsorships				\$ 20,000			
21	Pay What You Can				\$ 1,100			
22	Walk In Donations				\$ 1,100			
23	Corporate Membership				\$ 10,000			
24	Foundation/Trust Grants							
25		Oak			\$ 306,494			
26		Grable (new)			\$ 50,000			
27		Strowd			\$ 10,000			
28		EFA			\$ 5,000			
29	<b>Subtotal</b>				<b>\$ 546,869</b>			
30	<b>Fundraising Events</b>							
31	1	Jon event			\$ 5,000			
32	2	Bd member 2 event			\$ 5,000			
33	3	Supercool Kidzu event			\$ 15,000			
34	<b>Subtotal</b>				<b>\$ 25,000</b>			
35	<b>Donated Revenue Subtotal</b>							
36	<b>INCOME TOTAL:</b>				<b>\$ 792,669</b>			
37								
38	<b>Expenses</b>							
39	<b>Professional Fees</b>							
40		Accting			\$ 16,700			
41		Consulting						
42		Audit						
43	<b>Operations</b>							
44		Dues & Subscriptions			\$ 2,675			
45		Ops Supplies			\$ 5,500			
46		Telephones			\$ 3,300			
47		Liability Insurance			\$ 2,664			
48		Workmans Comp			\$ 2,352			
49		D&O			\$ 1,716			

	A	B	C	P	Q	R	S	T
50		Miscell						
51		Computers			\$ 11,560			
52		Postage/Shipping			\$ 2,000			
53		Printing/Copying			\$ 1,200			
54		Equipment Rental			\$ 5,160			
55		Travel			\$ 6,700			
56		Staff Dev. & Recog.			\$ 1,100			
57	<b>Occupancy</b>							
58		Rent			\$ 7,200			
59		Utilities			\$ 18,000			
60		Repairs/Non Exhibit			\$ 6,000			
61								
62	Bank Fees				\$ 1,008			
63	Merchant Service Fees				\$ 5,184			
64	Interest Expense				\$ 48			
65								
66	<b>Payroll</b>							
67		Officers/Directors						
68		Senior Staff						
69		PW,LV,ML,TC,MT			\$ 279,864			
70		Prog Mgr			\$ 33,000			
71		Makery Coordinator			\$ 26,004			
72		Development/Admin			\$ 30,000			
73		Visitor Services Mgr			\$ 27,000			
74		Wknd Mgr			\$ 18,936			
75		Part-Time			\$ 137,484			
76		Employee Benefits			\$ 35,864			
77		Payroll Tax @ 8.854%			\$ 48,900			
78								
79	<b>Exhibits &amp; Programs</b>							
80		General Supplies			\$ 3,600			
81		The Makery			\$ 5,000			
82		Outreach			\$ 1,200			
83		Birthday Party			\$ 2,300			
84		Guest Specialists			\$ 2,400			
85		Field Trip Programs			\$ 2,100			
86		Exhibit Installation			\$ 1,700			
87		Exhibit Maintance			\$ 8,500			
88		Exhibit Supplies			\$ 2,750			
89								
90	<b>Fundraising</b>							
91		Marketing			\$ 5,000			
92		PR			\$ 5,000			
93		Special Events			\$ 3,000			
94		Print Materials			\$ 2,000			
95		Website			\$ 10,000			
96		Donor Benefits/events			\$ 1,000			
97								
98	<b>EXPENSE TOTAL:</b>				\$ 792,669			

**Carrboro Arts and Innovation Center**

Project Cost Analysis 11/23/2014

1 Gross Project Size 55,000 Sq.Ft.

COST CATEGORY	\$ PSF	SUBTOTAL	REMARKS
Foundations	\$ 2.00	\$ 110,000.00	
Substructure	\$ 8.00	\$ 440,000.00	
Superstructure	\$ 33.00	\$ 1,815,000.00	
Exterior Enclosure	\$ 36.00	\$ 1,980,000.00	
Thermal Protection	\$ 2.00	\$ 110,000.00	
Interior Construction	\$ 30.00	\$ 1,650,000.00	
Vertical Transportation	\$ 4.00	\$ 220,000.00	
Mechanical	\$ 23.00	\$ 1,265,000.00	
Electrical	\$ 16.00	\$ 880,000.00	
General Conditions	\$ 4.00	\$ 220,000.00	
Subtotal	\$ 158.00	\$ 8,690,000.00	
Equipment	\$ -	\$ -	By Owner
Sitework	\$ -	\$ -	
Subtotal	\$ 158.00	\$ 8,690,000.00	
<b>Design and Construction Contingency</b>	<b>\$ 18.94</b>	<b>\$ 434,500.00</b>	<b>5.00%</b>
Subtotal -Direct Costs	\$ 165.90	\$ 9,124,500.00	
General Construction Fee	\$ 6.64	\$ 364,980.00	4.00%
Subtotal Direct and Indirect Costs	\$ 172.54	\$ 9,489,480.00	
Owner Supplied Equipment	\$ 10.91	\$ 600,000.00	
<b>Kidzu Exhibits</b>	<b>\$ 54.55</b>	<b>\$ 3,000,000.00</b>	
Planning Fees		\$ -	
Water and Sewer Fees		\$ -	
Fire Plan and Inspection Fees		\$ -	
Misc Fees		\$ -	
Building Permit Cost		\$ -	
City Impact Fees		\$ -	
Sales Tax Reimbursement		\$ (186,994.50)	75% See chart Above and Discount 25%
<b>Total Direct and Indirect Costs</b>	<b>\$ 234.59</b>	<b>\$ 12,902,485.50</b>	
<b>PROJECT SOFT COSTS</b>			
A/E Basic Design Services		\$854,053	9.0% Construction
Project Reimbursibles: Testing, Etc		\$100,000	Owner Construction Testing and Reimbursables
Subtotal Project Soft Costs		\$954,053	
<b>Subtotal Project Hard and Soft Costs</b>	<b>\$ 251.94</b>	<b>\$ 13,856,538.70</b>	
<b>MISC. DEV./ OPER. COSTS</b>			
Land Costs		\$500,000	Land Only
<b>Owner/ City Project Contingency</b>		<b>\$692,827</b>	<b>5.00% Note Total Contingency \$ 1,127,326.94</b>
Pre-opening Costs		\$50,000	
Subtotal Misc. Development Costs		\$1,242,827	
<b>Project Costs</b>		<b>\$ 15,099,365.64</b>	
<b>Total Project Cost</b>	<b>\$ 274.53</b>	<b>\$ 15,099,365.64</b>	
<b>Proposed Budget</b>	<b>\$</b>	<b>\$ 15,000,000</b>	
<b>Proposed Private Fundraising</b>	<b>\$</b>	<b>\$ 7,500,000</b>	Phase One \$4.5M, Phase Two \$3M
<b>Proposed Pubic Contribution</b>	<b>\$</b>	<b>\$ 7,500,000</b>	

Sales Tax Analysis	
40% of Category	7% Sales Tax
\$ 44,000.00	\$ 3,080.00
\$ 176,000.00	\$ 12,320.00
\$ 726,000.00	\$ 50,820.00
\$ 792,000.00	\$ 55,440.00
\$ 44,000.00	\$ 3,080.00
\$ 660,000.00	\$ 46,200.00
\$ 88,000.00	\$ 6,160.00
\$ 506,000.00	\$ 35,420.00
\$ 352,000.00	\$ 24,640.00
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ -	\$ -
\$ 173,800.00	\$ 12,166.00
\$ 3,561,800.00	\$ 249,326.00

# Carrboro Arts and Innovation Center

Project Proforma Analysis 11/23/2014

<b>Total Project Costs</b>	\$	15,000,000			
<b>Total Project Equity</b>					
Land	\$	500,000			
Private Project Capital Contribution	\$	4,000,000			
Project Exhibit and Equipment	\$	3,000,000			
<b>Total</b>	<b>\$</b>	<b>7,500,000</b>			
<b>Total Yearly Debt Service</b>					
	\$	<b>455,055</b>	Yearly Debt	Excess	% of Tax
yr.					
1	\$	<b>565,841</b>	\$ 455,055	\$ 110,786	19.6%
2	\$	574,328	\$ 455,055	\$ 119,273	20.8%
3	\$	582,943	\$ 455,055	\$ 127,888	21.9%
4	\$	591,687	\$ 455,055	\$ 136,632	23.1%
5	\$	600,563	\$ 455,055	\$ 145,508	24.2%
6	\$	609,571	\$ 455,055	\$ 154,516	25.3%
7	\$	618,715	\$ 455,055	\$ 163,660	26.5%
8	\$	627,995	\$ 455,055	\$ 172,940	27.5%
9	\$	637,415	\$ 455,055	\$ 182,360	28.6%
10	\$	646,977	\$ 455,055	\$ 191,922	29.7%
11	\$	656,681	\$ 455,055	\$ 201,626	30.7%
12	\$	666,531	\$ 455,055	\$ 211,476	31.7%
13	\$	676,529	\$ 455,055	\$ 221,474	32.7%
14	\$	686,677	\$ 455,055	\$ 231,622	33.7%
15	\$	696,978	\$ 455,055	\$ 241,923	34.7%
16	\$	707,432	\$ 455,055	\$ 252,377	35.7%
17	\$	718,044	\$ 455,055	\$ 262,989	36.6%
18	\$	728,814	\$ 455,055	\$ 273,759	37.6%
19	\$	739,747	\$ 455,055	\$ 284,692	38.5%
20	\$	750,843	\$ 455,055	\$ 295,788	39.4%
21	\$	762,105	\$ 455,055	\$ 307,050	40.3%
22	\$	773,537	\$ 455,055	\$ 318,482	41.2%
23	\$	785,140	\$ 455,055	\$ 330,085	42.0%
24	\$	796,917	\$ 455,055	\$ 341,862	42.9%
25	\$	808,871	\$ 455,055	\$ 353,816	43.7%
26	\$	821,004	\$ -	\$ 821,004	686.3%
27	\$	833,319	\$ -	\$ 833,319	100.0%
27	\$	845,819	\$ -	\$ 845,819	100.0%
27	\$	858,506	\$ -	\$ 858,506	100.0%
27	\$	871,384	\$ -	\$ 871,384	100.0%

\$ 5,634,508 Excess Tax Paid After 25 Yrs. ( Life of Bond)



Yearly Operating Expenses	Cost per sq.ft	55,000
Water	\$ 0.25	\$ 13,750
Gas	\$ 0.65	\$ 35,750
Electrical	\$ 0.45	\$ 24,750
Janitorial	\$ 0.75	\$ 41,250
Insurance	\$ 0.45	\$ 24,750
Property Management	\$ 0.65	\$ 35,750
<b>Total</b>	<b>\$ 3.20</b>	<b>\$ 176,000</b>

Total Operating Cost per yer.	yr.	Useable		Common Area	55,000 sq.ft.	85%
		TAC	KZ			
		29,150	17,600	8,250		
		<b>29,150</b>	<b>17,601</b>		<b>46,750</b>	
		62%	38%	18%		Percentage c
Total Operating Cost						
	<b>1</b>	<b>\$ 176,000</b>	<b>\$ 109,741</b>	<b>\$ 66,259</b>	<b>\$ 176,000</b>	
	<b>2</b>	\$ 181,280	\$ 111,387	\$ 67,253	\$ 178,640	
	<b>3</b>	\$ 186,718	\$ 113,058	\$ 68,261	\$ 181,320	
	<b>4</b>	\$ 192,320	\$ 114,754	\$ 69,285	\$ 184,039	
	<b>5</b>	\$ 198,090	\$ 116,475	\$ 70,325	\$ 186,800	
	<b>6</b>	\$ 204,032	\$ 118,222	\$ 71,380	\$ 189,602	
	<b>7</b>	\$ 210,153	\$ 119,996	\$ 72,450	\$ 192,446	
	<b>8</b>	\$ 216,458	\$ 121,796	\$ 73,537	\$ 195,333	
	<b>9</b>	\$ 222,952	\$ 123,623	\$ 74,640	\$ 198,263	
	<b>10</b>	\$ 229,640	\$ 125,477	\$ 75,760	\$ 201,237	
	<b>11</b>	\$ 236,529	\$ 127,359	\$ 76,896	\$ 204,255	
	<b>12</b>	\$ 243,625	\$ 129,270	\$ 78,050	\$ 207,319	
	<b>13</b>	\$ 250,934	\$ 131,209	\$ 79,220	\$ 210,429	
	<b>14</b>	\$ 258,462	\$ 133,177	\$ 80,409	\$ 213,585	
	<b>15</b>	\$ 266,216	\$ 135,174	\$ 81,615	\$ 216,789	
	<b>16</b>	\$ 274,202	\$ 137,202	\$ 82,839	\$ 220,041	
	<b>17</b>	\$ 282,428	\$ 139,260	\$ 84,081	\$ 223,341	
	<b>18</b>	\$ 290,901	\$ 141,349	\$ 85,343	\$ 226,692	
	<b>19</b>	\$ 299,628	\$ 143,469	\$ 86,623	\$ 230,092	
	<b>20</b>	\$ 308,617	\$ 145,621	\$ 87,922	\$ 233,543	
	<b>21</b>	\$ 317,876	\$ 147,805	\$ 89,241	\$ 237,046	
	<b>22</b>	\$ 327,412	\$ 150,023	\$ 90,580	\$ 240,602	
	<b>23</b>	\$ 337,234	\$ 152,273	\$ 91,938	\$ 244,211	
	<b>24</b>	\$ 347,351	\$ 154,557	\$ 93,317	\$ 247,874	
	<b>25</b>	\$ 357,772	\$ 156,875	\$ 94,717	\$ 251,592	
	<b>Total</b>	<b>\$ 6,416,831</b>				

TAC= The ArtsCenter

KZ= Kidzu

Expenses Increased at 3% per Year