



# Town of Carrboro

Town Hall  
301 W. Main St.  
Carrboro, NC 27510

## Meeting Agenda Board of Aldermen



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Tuesday, January 20, 2015

7:30 PM

Board Chambers - Room 110

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### A. PUBLIC HEARING

[15-0009](#)

A public hearing on the issue of a proposed new Arts and Innovation Center

PURPOSE: The purpose of the agenda item is for the Board of Aldermen to hear public comments on a proposal for a new Arts and Innovation Center that would replace the current ArtsCenter and bring Kidzu to Carrboro.

**Attachments:** [NOTICE OF JAN 20 PUBLIC HEARING 121514](#)

[CAIC Notes Final REV 120314](#)

[Public Comment.pdf](#)

### B. MATTERS BY TOWN CLERK

### C. MATTERS BY TOWN MANAGER

### D. MATTERS BY TOWN ATTORNEY

### E. MATTERS BY BOARD MEMBERS



# Town of Carrboro

Town Hall  
301 W. Main St.  
Carrboro, NC 27510

## Agenda Item Abstract

**File Number:** 15-0009

**Agenda Date:** 1/20/2015

**File Type:** Abstract

**In Control:** Board of Aldermen

**Version:** 1

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### TITLE:

A public hearing on the issue of a proposed new Arts and Innovation Center

**PURPOSE:** The purpose of the agenda item is for the Board of Aldermen to hear public comments on a proposal for a new Arts and Innovation Center that would replace the current ArtsCenter and bring Kidzu to Carrboro.

**DEPARTMENT:** Economic and Community Development

**CONTACT INFORMATION:** Annette D. Stone, AICP Economic and Community Development Director 919-918-7319.

**INFORMATION:** The Town has been approached by the Board of Directors for the ArtsCenter and Kidzu, and with a proposal for a joint collaboration between the non-profits to combine resources within a new, to be constructed, town-owned facility that would be built at the corner of E Main Street and Roberson Street. This facility would be leased back to the non-profits. Preliminary conceptual details of this proposal and proposed contingencies are included in the attached public notice.

The ArtsCenter and Kidzu have held a series of public workshops in regards to the proposal geared toward artist, business owners and the general public. They also will be on hand for the January 20, 2015 meeting to make a presentation.

In order to ensure maximum public notice and participation, the Town staff notified the public by direct mailings to all Carrboro residents, posters, banners, press releases, print, email list, newsflashes on Town website and social media announcing the meeting. Attached are the written comments that the Town Clerk has collected so far, in addition, public comments can be posted and/or viewed at [www.engagecarrboro.townofcarrboro.org](http://www.engagecarrboro.townofcarrboro.org) <<http://www.engagecarrboro.townofcarrboro.org>>

The public is reminded this meeting will be live broadcast on GOV-TV and will live stream at <<https://carrboro.legistar.com/Calendar.aspx>> . Comment on Twitter at #CAICpubliccomment.

**FISCAL & STAFF IMPACT:** N/A

**RECOMMENDATION:** Staff recommends the Board hear public comments.

## **NOTICE OF PUBLIC HEARING**

The Carrboro Board of Aldermen will hold a public hearing at 7:30 p.m. on Tuesday, January 20, 2015, at the Carrboro Town Hall, 301 West Main Street, to obtain input from Carrboro residents, business owners, and property owners on a request submitted by the ArtsCenter and Kidzu Children's Museum that the Town of Carrboro construct, own, and lease to a partnership consisting of these two organizations a new building at the intersection of Main and Roberson Streets. These organizations envision a four story, 55,000 square foot building constructed by the Town at an estimated cost of \$12.1 million on a site (located across Roberson Street from the Armadillo Grill and formerly used as a public parking lot) donated to the Town. The Town has been requested to contribute up to approximately \$4.5 million toward the construction of this building, and the above named non-profits would be responsible for raising the balance of the needed funds from private donors, foundations, other governmental entities, or other sources.

THE BOARD OF ALDERMEN HAS MADE ABSOLUTELY NO COMMITMENTS REGARDING ANY ASPECT OF THE REQUEST BY THESE ORGANIZATIONS, OTHER THAN TO HOLD THIS PUBLIC HEARING.

However, the Board has concluded that in no event would a proposal such as that described above even be conceivable unless it included the following conditions or contingencies.

1. The Town's contribution to the cost of construction (including all steps in the process from preliminary planning through issuance of a certificate of occupancy) would be limited to a set maximum, and the entire remainder of the funds necessary to cover these costs would have to be provided by other sources and actually received by the Town before the Town incurred any significant costs.
2. The Town's contribution to the cost of construction would be made with borrowed funds, and the amount of that contribution would not exceed the amount that could be paid back over a twenty-five year period by the reasonably estimated "new" revenues that would be received by the Town from the taxes generated from another source. Examples include: construction of a new hotel on the property now owned and occupied by the ArtsCenter, which would generate additional property tax and occupancy tax revenues, is dependent on the ArtsCenter being able to move to the proposed new facility. In addition, the Town might seek from the General Assembly authority to establish a "prepared food and beverage tax," the revenue from which could be limited to financing the construction of a project such as the one described above.
3. The costs of operation, maintenance, and capital reserves would have to be guaranteed to the Board's satisfaction through a performance agreement backed by adequate security. As part of the information required by this condition, both non-profits would have to

submit budgetary and programming information sufficient to demonstrate the long term viability of each organization.

4. Commitments and arrangements would have to be secured to ensure that (i) parking would be available to support the activities occurring on the proposed site, and (ii) increased traffic could be accommodated, without adversely affecting other downtown businesses or property owners,

The Board is also considering whether any approval of a proposal such as that put forward by the theses non-profits should be made contingent upon the organizations having to demonstrate to the reasonable satisfaction of the Board that the proposed facility could not be constructed without Town ownership of and a significant financial contribution to the cost of constructing such a facility.

At the hearing, the non-profits will be available to discuss their proposal and answer questions. The public is invited to comment on any aspect of this proposal, including without limitation the following:

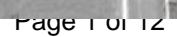
- Whether a facility such as that proposed by the non-profits is appropriate for the Town of Carrboro
- Whether, under any set of conditions, the proposed building should be constructed, and/or owned, and/or financed by the Town
- The desirability of any of the above described conditions, or others.

\*For those not familiar with these three organizations, their respective web sites are:

<http://www.artscenterlive.org/>

<http://www.kidzuchildrensmuseum.org/>





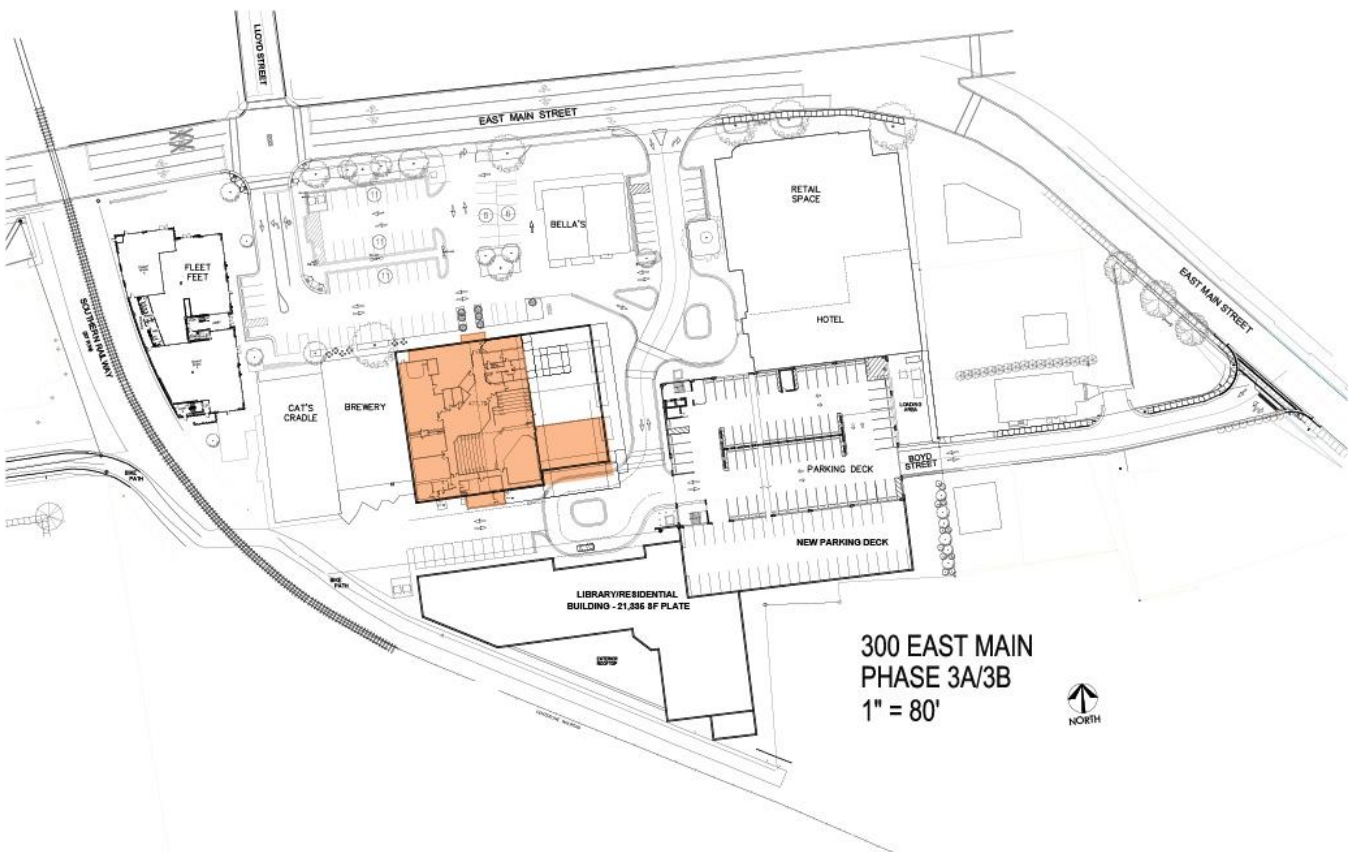
## Carrboro Arts and Innovation Center

### 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
	% spent in Local Economy	x .7
		<b>\$17,400,000</b>
		<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	KIDZU							
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.

2  
3 COST CATEGORY \$ PSF SUBTOTAL REMARKS

5	Foundations	\$	2.00	\$	110,000.00	
6	Substructure	\$	8.00	\$	440,000.00	
7	Superstructure	\$	33.00	\$	1,815,000.00	
8	Exterior Enclosure	\$	36.00	\$	1,980,000.00	
9	Thermal Protection	\$	2.00	\$	110,000.00	
10	Interior Construction	\$	30.00	\$	1,650,000.00	
11	Vertical Transportation	\$	4.00	\$	220,000.00	
12	Mechanical	\$	23.00	\$	1,265,000.00	
13	Electrical	\$	16.00	\$	880,000.00	
14	General Conditions	\$	4.00	\$	220,000.00	
15		Subtotal	\$	158.00	\$	8,690,000.00
16	Equipment	\$	-	\$	-	By Owner
17	Sitework	\$	-	\$	-	
18		Subtotal	\$	158.00	\$	8,690,000.00
19	Design and Construction Contingency	\$	18.94	\$	434,500.00	5.00%
20		Subtotal -Direct Costs	\$	165.90	\$	9,124,500.00

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	

22	General Construction Fee	\$	6.64	\$	364,980.00	4.00%
23						
24	Subtotal Direct and Indirect Costs	\$	172.54	\$	9,489,480.00	
25	Owner Supplied Equipment	\$	10.91	\$	600,000.00	
26	<b>Kidzu Exhibits</b>	<b>\$</b>	<b>54.55</b>	<b>\$</b>	<b>3,000,000.00</b>	
27	Planning Fees			\$	-	
28	Water and Sewer Fees			\$	-	
29	Fire Plan and Inspection Fees			\$	-	
30	Misc Fees			\$	-	
31	Building Permit Cost			\$	-	
32	City Impact Fees			\$	-	
33	Sales Tax Reimbursement			\$	(186,994.50)	75% See chart Above and Discount 25%
34	<b>Total Direct and Indirect Costs</b>	<b>\$</b>	<b>234.59</b>	<b>\$</b>	<b>12,902,485.50</b>	

## PROJECT SOFT COSTS

39	A/E Basic Design Services			\$854,053	9.0% Construction
40	Project Reimbursibles: Testing, Etc			\$100,000	Owner Construction Testing and Reimbursables
41	Subtotal Project Soft Costs			\$954,053	
42	Subtotal Project Hard and Soft Costs	\$	251.94	\$	13,856,538.70

## MISC. DEV./ OPER. COSTS

46	<b>Land Costs</b>			<b>\$500,000</b>	Land Only
47	<b>Owner/ City Project Contingency</b>			<b>\$692,827</b>	5.00% <b>Note Total Contingency \$ 1,127,326.94</b>
48	Pre-opening Costs			\$50,000	
49	Subtotal Misc. Development Costs			\$1,242,827	

51 Project Costs \$ 15,099,365.64

53 **Total Project Cost \$ 274.53 \$ 15,099,365.64**

55 **Proposed Budget \$ 15,000,000**

56 **Proposed Private Fundraising \$ 7,500,000**

57 **Proposed Pubic Contribution \$ 7,500,000**

Phase One \$4.5M, Phase Two \$3M

# Carrboro Arts and Innovation Center

Project Proforma Analysis 11/23/2014

**Total Project Costs** \$ 15,000,000

## Total Project Equity

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>

**Total Yearly Debt Service** \$ 455,055 Yearly Debt Excess % of Tax

yr.					
1	\$	565,841	\$ 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>	
TAC= The ArtsCenter		62%	38%	18%			Percentage c
KZ= Kidzu							
	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>	<b>\$ 181,280</b>	<b>\$ 111,387</b>	<b>\$ 67,253</b>		<b>\$ 178,640</b>		
<b>3</b>	<b>\$ 186,718</b>	<b>\$ 113,058</b>	<b>\$ 68,261</b>		<b>\$ 181,320</b>		
<b>4</b>	<b>\$ 192,320</b>	<b>\$ 114,754</b>	<b>\$ 69,285</b>		<b>\$ 184,039</b>		
<b>5</b>	<b>\$ 198,090</b>	<b>\$ 116,475</b>	<b>\$ 70,325</b>		<b>\$ 186,800</b>		
<b>6</b>	<b>\$ 204,032</b>	<b>\$ 118,222</b>	<b>\$ 71,380</b>		<b>\$ 189,602</b>		
<b>7</b>	<b>\$ 210,153</b>	<b>\$ 119,996</b>	<b>\$ 72,450</b>		<b>\$ 192,446</b>		
<b>8</b>	<b>\$ 216,458</b>	<b>\$ 121,796</b>	<b>\$ 73,537</b>		<b>\$ 195,333</b>		
<b>9</b>	<b>\$ 222,952</b>	<b>\$ 123,623</b>	<b>\$ 74,640</b>		<b>\$ 198,263</b>		
<b>10</b>	<b>\$ 229,640</b>	<b>\$ 125,477</b>	<b>\$ 75,760</b>		<b>\$ 201,237</b>		
<b>11</b>	<b>\$ 236,529</b>	<b>\$ 127,359</b>	<b>\$ 76,896</b>		<b>\$ 204,255</b>		
<b>12</b>	<b>\$ 243,625</b>	<b>\$ 129,270</b>	<b>\$ 78,050</b>		<b>\$ 207,319</b>		
<b>13</b>	<b>\$ 250,934</b>	<b>\$ 131,209</b>	<b>\$ 79,220</b>		<b>\$ 210,429</b>		
<b>14</b>	<b>\$ 258,462</b>	<b>\$ 133,177</b>	<b>\$ 80,409</b>		<b>\$ 213,585</b>		
<b>15</b>	<b>\$ 266,216</b>	<b>\$ 135,174</b>	<b>\$ 81,615</b>		<b>\$ 216,789</b>		
<b>16</b>	<b>\$ 274,202</b>	<b>\$ 137,202</b>	<b>\$ 82,839</b>		<b>\$ 220,041</b>		
<b>17</b>	<b>\$ 282,428</b>	<b>\$ 139,260</b>	<b>\$ 84,081</b>		<b>\$ 223,341</b>		
<b>18</b>	<b>\$ 290,901</b>	<b>\$ 141,349</b>	<b>\$ 85,343</b>		<b>\$ 226,692</b>		
<b>19</b>	<b>\$ 299,628</b>	<b>\$ 143,469</b>	<b>\$ 86,623</b>		<b>\$ 230,092</b>		
<b>20</b>	<b>\$ 308,617</b>	<b>\$ 145,621</b>	<b>\$ 87,922</b>		<b>\$ 233,543</b>		
<b>21</b>	<b>\$ 317,876</b>	<b>\$ 147,805</b>	<b>\$ 89,241</b>		<b>\$ 237,046</b>		
<b>22</b>	<b>\$ 327,412</b>	<b>\$ 150,023</b>	<b>\$ 90,580</b>		<b>\$ 240,602</b>		
<b>23</b>	<b>\$ 337,234</b>	<b>\$ 152,273</b>	<b>\$ 91,938</b>		<b>\$ 244,211</b>		
<b>24</b>	<b>\$ 347,351</b>	<b>\$ 154,557</b>	<b>\$ 93,317</b>		<b>\$ 247,874</b>		
<b>25</b>	<b>\$ 357,772</b>	<b>\$ 156,875</b>	<b>\$ 94,717</b>		<b>\$ 251,592</b>		
<b>Total</b>	<b>\$ 6,416,831</b>						



-----Original Message-----

From: Sally Smith [mailto:sarasmith109@icloud.com]

Sent: Wednesday, December 31, 2014 3:50 PM

To: Catherine Wilson

Subject: Response to the public hearing of the Carrboro board of alderman Tuesday, January 28, 2015

I am 72 years old and own a 1150 square-foot house that I pay taxes on each year. I would really like my Taxes to go down due to the new buildings already built or being built in Carrboro. I see no parking around that parking lot they want to build this building on, which I often use at the art walk. Where will I park when they're building goes up?? I support both of these organizations but I don't think Carrboro should be responsible for a third of the bill for that building. Plus, I Think we should be able to adjust to these other new buildings Already built in Carrboro before we try to build more in our small town.

Sara Smith

109 pine hill dr

Carrboro

Sent from my iPhone using voice dictation, please forgive typos and punctuation.

**From:** Jill Akiyama [mailto:jakiyama@gmail.com]  
**Sent:** Friday, January 02, 2015 1:39 PM  
**To:** Catherine Wilson  
**Subject:** Proposed Building from ArtsCenter and Kidzu

To Whom it May Concern:

I received the notice of public hearing on the building proposed by two nonprofits, ArtsCenter and Kidzu. While I have benefited from one of them, and love their presence in the town of Carrboro, I wanted to advocate against their proposed building. The location specified is in a tough spot: it's right against a railroad and is at a heavily-used intersection by car traffic. Furthermore, this would remove a much-needed parking lot. Much of the regulations of the town heavily restrict the amount of public parking available, especially to those with a Chapel Hill address and out-of-town visitors, in an attempt to reduce car traffic and encourage walking or cycling. Further reduction of parking could limit the amount of visitors (and Carrboro residents) into downtown, and any income associated with them. Traffic is already horrendous enough, and removing the parking from that corner could limit access to the Armadillo Grill, 2nd Wind, and other establishments on Main Street. While I do not know what Kidzu and ArtsCenter plan to do with the proposed building, but moving it further onto Jones Ferry Road or Greensboro Street and away from the center of town could rearrange the traffic flow the new building could bring.

Many locals are still getting used to the new hotel nearby, which has clearly changed the skyline of the town, showing how much it has changed from even ten years ago. New buildings reflect investment into infrastructure, but please be more prudent on their potential locations. Take into consideration the traffic troubles many Carrboro and Chapel Hill residents have to endure to go to their favorite bars, grocery stores, and restaurants in this part of town.

Thank you.

--

Jill K. Akiyama  
Candidate for Master of Science in Public Health, 2016

Department of Health Policy and Management

UNC Gillings School of Global Public Health

[jakiyama@live.unc.edu](mailto:jakiyama@live.unc.edu)

Cell: 919-357-0586

605 Jones Ferry Road  
Apt. #VV13

I am writing to comment on the proposal by the Arts Center and the Kidz Children's Museum to build, in part at the Town's expense, a \$12 million building on a parking lot located on Roberson Street.

These unique organizations do contribute to the quality of life in Carrboro. They are important to many Carrboro residents and to people in nearby communities. I think they should be encouraged.

However, I believe that an informed opinion of the proposed building project would need answers to these questions.

1. How does the size of the proposed building compare to the amount of space presently used by these organizations? If there is a projected increase in space, is it justified on the basis of the activities the organizations are presently engaged in and on projections of expanded activities that would be made possible if more space were available? Adequate answers to these questions would need to include detailed documentation of the organizations' activities, with data that show growth in activities that need the space. If the size of the staff of these organizations is expected to increase, data to support these projections should also be presented. I noted that the website of the Kidz Children's Museum is not working. What does this mean for the viability of this organization?
2. Do the activities of these organizations result in increases in commerce in the surrounding area, such as the use of nearby restaurants or increased traffic in local retail shops? Are there any hard numbers to show this direct benefit and any projections to show how the proposed building can enhance that benefit? This would be an extremely important reason to support the proposed building. Without hard numbers to support this effect, the project would not, in my opinion, be approvable.
3. Are there satisfactory less costly alternatives, such as renovation of space presently occupied? Have other locations been considered?
4. Can some of the space in the proposed building be rented for retail shops and/or offices, so that the rental income can help defray the cost of the construction loan and maintenance?
5. If, at the end of a comprehensive financial analysis, it appears that the proposed project will pose an unavoidable increase in the tax burden, for the foreseeable future (25 years is a long time), The Board of Aldermen should weigh this option against other pressing needs in the Town for which such a tax increase could be used.

The "prepared food and beverage tax" is not a good idea. The tax is regressive and would have a negative impact on local businesses. I am strenuously opposed to it. Since approval from the General Assembly Authority for this tax is not a certainty, no projections should assume that revenues from it will be forthcoming.

I believe the Board of Alderman should engage in a thorough and impartial assessment of this proposal, with the help of outside consultants where appropriate. They deserve kudos for the excellent plan that gave us the Hampton Inn. A similar deliberative process should be undertaken to figure out what is the most appropriate use of the building site on Roberson, which is a valuable asset for the Town. For example, are there other uses for the site that would serve the Town better? We should take our time to figure that out. If it's not too late to change the site of the new library, should that be considered?

Such an assessment should carefully weigh the consequences for Carrboro real estate taxes which I believe continue to be the highest in Orange County. I suppose that the Hampton Inn and other recently completed construction, may be making a much needed contribution to the Town's tax base and may

relieve the burden on Carrboro homeowners. Planning of additional construction should include as a high priority the effect on the Town's tax base.

Thank you for the opportunity to comment on this proposal.

Frank Stallone

405 Berryhill Drive

Carrboro

Dear C. Wilson,

I received the letter regarding this matter. I will not be able to come to the hearing. But nothing in the letter justifies why this expense should be borne by the town. Our property taxes are already extremely high. We were annexed to the town some years ago and our taxes increase by about 270%. You definitely do not need a new expense on the books. You should be looking for ways to cut expenses. I think the Artscenter is a good organization and I attend some of their shows but I do not see why the town should pay any of the costs of building this building.

Yours,

Stephanie London  
8511 Balmoral Place  
Chapel Hill NC 27516



To the Carrboro Board of Alderpersons:

Three major projects are coming before the Carrboro Board: a performance venue that could make Carrboro the entertainment center of Orange County, a library that residents have been waiting on for almost 30 years and most seriously, a deficit in the bus budget that could lead to charging bus riders. Yet the budget has not changed to adequately fund any of the three.

An opportunity to fund these game-changers is before the Board, but as usual those who are short-sighted are urging the Board to reject it. An attractive, thoughtfully planned development for the Lloyd property is proposed. An early estimate is that the project could bring in \$100 million in sales and property taxes over 10 years. It is important to approve it quickly to bring to fruition the library, the arts venue and continued fare-free bus service.

85% of Carrboro's tax base falls on homeowners. That's fine if you live in a comfortable, leafy neighborhood where your income can afford that high tax. (And that is in addition to the Orange County and school supplement taxes.) But if you are a third or fourth generation African American who lives in a house built by their grandfather, you cannot afford ever higher taxes. We are driving these long-time citizens out of our town. If you are a low income renter (remember those people whose services you use), you can't afford the rent when the landlord raises it to pay their taxes.

Where do all the comfortable people in Carrboro shop? At Durham's Southpoint, South Square and three other shopping centers on our border, Alamance's Tanger Outlet right across the border (and that provided 800 jobs), and Chatham's Wal-Mart. (You can stick up your nose all you want about Wal-Mart, but if you are a poor person without transportation, there is no place to shop in Carrboro or Chapel Hill, and getting to the Hillsborough or Chatham Wal-Marts is difficult. Maybe some of those who object to the Lloyd development will offer to drive those folks to shop outside of town. ) Where are your shopping dollars and sales and property taxes going? Yup, Durham, Chatham and Alamance Counties..

Another aspect that most people don't realize is that, much as we love our unique local businesses, they can't pay health insurance to their employees (some not even to themselves.) You may not like big box stores, but ask their employees, which I do, and you'll find they do provide health insurance. If the poor have to start paying bus fare, we're hurting them one more time. And denying them jobs to boot.

Are these anti-commercial people selfish? I'll give them the benefit of the doubt - they really don't know there are poor people living in their town who need jobs, an affordable place to live and shop. One writer says it's "All about money." You betcha it's about money. Money for schools, police, parks, libraries and yes, bus service for poor people and jobs and flourishing

town services. A family needs adequate revenue (known as income) to cover personal and household expenses. So does a town.

This is an opportunity for Carrboro to realize the vision to provide jobs and services for all its residents - not just those who love keeping their town the way it has always been. (Actually it hasn't always been like this: Carrboro was first the Weaver Plantation, the railroad tie capital of the world, a mill town, a blue collar town, source of low-cost housing for blue collar folks and students. Places grow and change.) Now we have the vibrant Hampton Inn and shops and the Fleet Feet building.

Finally, Carrboro has committed to reduce its carbon foot print. The Lloyd development provides an opportunity to stay here and shop - no need to drive out of the county.

I urge the Board to approve the Lloyd plan without further delay to make our town the vibrant destination that it can be for all in Carrboro.

Ellie Kinnaird

I have also sent this letter to the Chapel Hill News as an Open Letter to the Board of Alderpersons

As a Carrboro resident, commercial property owner and local business owner I am not in favor of the town investing \$4.5m in this project.

Our taxes in Carrboro are already extremely high so increasing them to support a project such as this does not make sense to me. In public/private partnerships I have seen in other cities locally and in other areas of the country there is generally a win-win mindset and a monetary benefit component to the project that does not appear to be present in this proposal. For instance, a town might invest in a large development project by providing tax dollars to build a parking deck to support the parking needs of the development. In return the town is given a portion/all revenue generated by that parking deck. How will this project pay the town back for this investment? Will it generate enough additional tax dollars for the town that justify this level of investment?

Why is this building needed? What un-met demand or void is this project meeting? Is the ArtsCenter bursting at its seams and unable to provide classes to everyone who wants to attend them? Do they need a larger theater for the shows they are attracting? The ArtsCenter has a reputation of poor financial management and often operating in a deficit, do they have a proposed business plan in place that shows how they will support the expense of operating in this new building and paying back any debt it will take on to complete this building?

If the town wants to form a public-private partnership that will provide space for an unmet demand why not talk to Frank Heath about building a new space for the nationally acclaimed Cats Cradle? This is a proven business that attracts tourists from all over the state and beyond to attend it's shows. These tourist dollars support the new hotel, local bars, restaurants and shops directly benefiting the people paying the taxes to support the needed investment. If Cats Cradle moved to a new space that would free up a large amount of space that could be occupied by Kidzu and the ArtsCenter.

This building would take away a current parking lot and potentially create a greater demand for parking potentially adversely affecting the local businesses being asked to support it. I am sure the town would require a parking element to the development but would it be just like the parking deck at 300 East Main where in the long term that parking is all dedicated to the project itself and not creating any additional parking for the town?

The town does not own the land on the site for the proposed project, which is .54acres, but does currently own the lot at the corner of Greensboro st. and Roberson St., which is .88acres. If the town invests \$4.5m in the project will it own the land? If so, at what portion of the cost of the project? If the town is going to consider a public-private investment for a project such as this why not do it on land it already owns? This property could probably support underground parking as well as above ground and has already been approved in the past for a multi-story project. One large issue facing the businesses in downtown Carrboro is not demand, it is the availability of public parking. This is also a potential source of revenue for the town to assist in justifying the taxpayer investment.

I love the ArtsCenter and Kidzu but there are a lot of unanswered questions about this project. I am having a hard time seeing how this investment on the part of the town and taxpayers can be justified. I completely understand that not all return on investment in our community can be measured in monetary terms, but this investment does not appear to fill a huge unmet cultural demand, fulfill a current demand for additional parking in the downtown area or create additional revenue sources for the town.

Thank you ,

--

Tyler Huntington

Owner/Operator

Tyler's Taproom

[www.tylerstaproom.com](http://www.tylerstaproom.com)

I've been receiving emails about the new Artscenter that Carrboro is building and am really mystified. I'm wondering where Carrboro is going to get the \$4.5 million dollars that is going to be contributed to this project. As small business owners in Carrboro, those of us in the arts could surely use grants and other monies to help us advertise and increase our sales. I have asked endlessly for signs on Main Street and received no reply and no help. It's really amazing that suddenly Carrboro can come up with this huge amount to build a new Artscenter (which doesn't add much to the economy of Carrboro) while small art-related businesses in Carrboro get nothing. The money could be far better spent advertising present small arts-businesses than building a huge new building for one non-profit that has never been able to support itself. Amazing! I cannot attend the meeting, but would like my voice heard.

Barbara Higgins  
The Clay Centre  
402 Lloyd Street  
Carrboro  
919-967-0314

If you are proposing to raise taxes I am totally in the disagreement of Carrboro participating in constructing the Arts Center my taxes already high enough Carrboro taxes are some of the highest in the state and I total disagree with any other additions to my tax bill. And if some of the businesses are willing to participate it should be done on an individual basis not for the entire business district.

Stepney Edwards  
Midway Barber Shop  
707 W Rosemary St  
Carrboro, NC 27510

Hello Neighbor. I recently heard of the proposition which asks bars to pay a new tax on alcoholic beverages in order to support the construction of the Arts Center. I am writing to express my strong opinion that this is unfair. Our small business barely survives as it is. I would like to point out that three bars/ restaurants are currently for sale in Carrboro due to poor sales and challenging business conditions, which includes an over saturation of bars. It seems unfair to place the burden of funding yet another large and expensive building project on its modest community of local business owners. Pretty soon only larger corporate chains will be able to pay the bills. That's not what Carrboro is supposed to look like. It just feels like too much too fast.

Sincerely,  
John Bowman  
Bowbarr  
795 W Rosemary St  
Carrboro NC 27510

Art lives in all of us!

## Comments on CAIC

This project tells Carrboro to go build a hotel on the site we are on, in the middle of the 300 West Main project, and these groups will somehow raise the money to build and operate the creative center of their dreams. Well, Kidzu and the ArtsCenter, that is. Carolina Performing Arts is listed as a partner, but without any documented participation.

The lists of partners are listed too, but they haven't signed on to this. What do they think? Did they even know that the partners would use their names as a sort of community collateral?

The hotel is collateral in a way. The only thing known is the projected cost and the site. Where do they get the numbers? Durham has had multiple troubles with its hotel and convention center, does Carrboro really wish to enter the lodging business? Do they have a guaranteed partner that will design, construct, and run the hotel in the middle of the 300 W. Main project? Can the CAIC guarantee a set amount of business that they will give the hotel? Can they guarantee anything at all about this? Building a hotel on speculation demands a lot of trust on the business partners.

Speaking of which, who are the partners. Carolina Performing Arts is not substantially involved, the Arts Center is trying to get out of its current building, and Kidzu doesn't have one. What about other cultural institutions? What is the agreement, proposed agreement, framework for how this building will be used. If there are other parts of the vibrant Carrboro community that want to get involved, will they be junior partners at the sufferance of others.

This flat out isn't worth it. If Carrboro needs another hotel, let's do that. If Carrboro wants to put up a cultural center, let's do that. There is no real reason to mash the two together, and there is no real reason to believe this project is viable, let alone preferable, to what the Carrboro community can produce.

Stephen Haebig - Thanks to one and all for helping me work through this.

I live on the other side of the 'border'. I hope that's okay.

Stephen Haebig

125 E. Longview St. Apt. E

Chapel Hill, NC 27516



Hello Bethany,

I read your letter about the building proposal for The Arts Center and Kidzoo. My husband and I have lived in Carrboro for over 20 years, we raised our children here and now are retired. Our taxes are high but I have always said that I felt we get good value for our taxes- so we are content to keep paying thousands more than we would if we moved elsewhere. However, this new idea of the town getting into the business of building to suit two nonprofits is just not sitting well with me as a long time resident and taxpayer. I don't see that our little downtown can handle thousands more cars that will be coming in for Art Center events and for Kidzoo- IN ADDITION to another hotel. Our roads are stressed as it is and you know there is such a thing as too much. I agree that we need to increase our tax base- I would welcome additional tax revenues so that my taxes might not continue to rise- however I also appreciate quality of life and I think that this proposal as I read it would seriously diminish the RESIDENTS of Carrboro's quality of life as we wouldn't be able to move freely around downtown with all the folks coming in for events and such.

We are fairly dense in the town core right now so I seriously question making our downtown significantly more dense. I also question the wisdom of taking MY TAX dollars to build to suit two nonprofits. If our town needs more art, kid, and music space, then I suggest that the TOWN build to suit TOWN needs and increase the Parks and Rec Department to host such needs. I would much rather increase our own Parks and Rec Department than build to suit two entities that the Town doesn't have control over. Should the two nonprofits go belly up or desire to leave, then the town would be stuck with a very expensive building in our core. WE TAXPAYERS would be holding a building that wasn't built for our needs and we would have to maintain the building and look for other renters. Bad business looking into the future. Build for the Town needs, by all means, and the taxpayers will support that effort; build to suit other interests and you are going beyond the scope of what taxpayers such as myself and my husband can support.

Thank you for your time in reading this note.

I hope to attend the public meeting next week to learn more about this proposal.

Christine and Tom Ellestad

[gogirl@nc.rr.com](mailto:gogirl@nc.rr.com)

Hello Catherine & Carrboro Board of Aldermen,

Jumping right in - it's hard to escape that the proposed numbers are large in relation to the size of the town's resources. Now, "big scary numbers" are by no means an argument by themselves, but as you well know, \$4.5 million would represent about 22% of the total annual operating budget for the town of Carrboro. It's true the project might be spread across a couple years, and could be paid off over a long period. But it does give me a sense of scale.

My main input boils down to a few questions - If the town were willing to commit \$4.5 million to the arts, is this the way we'd want to do so? What other arts businesses, groups, or events might merit a fraction of that commitment? And would this project hamstring the town in supporting them? The fact that Carrboro has made the arts a priority has paid huge benefits over the years. But there are many people carrying that banner.

The comparison that gives me the most pause is the Cat's Cradle. I admit to ignorance on two important fronts here: (1) The inner workings of the Cradle (2) Specific plans for the next phases of the 300 East Main development. My ignorance aside, I doubt the Cat's Cradle is making money hand over fist. Yet they do as much to keep the arts alive and bring in outside visitors as any non-profit, gov't department, or other business. It's an incredible amenity for a town our size. The Local 506 is similarly excellent, punching well above its weight. A bit further afield, you have The Cave, providing space for local acts to cut their teeth. On a bad night, or week, or month, I know some of those thin-margin businesses would consider themselves "non-profits", if you get my meaning. If anything caused the Cradle to close or move, it would leave a huge hole in town.

It may be that the Cradle is being assisted in some way as the 300 East Main project moves forward...but I haven't heard anything about that in a while. And I am aware that Durham's (very welcome) renaissance is putting pressure on venues of a certain size.

The fundamental question, again, is the one you already know you're considering - How do we best support the arts, and how do we do so within our means? I don't know the answer, but our town is bursting with artistic people, working for profit and not. And if we're going to hand out millions of dollars to just 2 organizations, we better have a plan for similar support (grants, buildings, rent assistance, whatever) when needs & opportunities arise.

All that said, I should add that I love the ArtsCenter, and if we had Kidzu just up the street from my house, my family would absolutely use it. I'd just like to be sure it was funded by the right sources, at the right scale. If I can have my cake and eat it too, well, kudos to the Board of Aldermen.

I appreciate the work everyone is putting into this proposal, and into this wonderful town.

Thanks & best regards,

Donald McMillan      105 A Todd St. Carrboro, NC 27510





Jan 2, 2015

Before this Public Hearing  
on Tuesday, Jan 20<sup>th</sup>, Will  
the Carrboro Board of Aldermen,  
Please take a ride down  
West Poplar Avenue, and  
notice the hideous, horrible,  
unattractive <sup>fence</sup> (right after you  
pass Windwood) on your left,  
that has recently been erected,  
to spoil the beauty of  
this neighborhood.

How did our Town, with  
our beautiful churches, schools,  
new Hotel, etc, ever give  
permission for this big mistake?

Friends and Neighbors