

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, Kidzu Children's Museum, and Carolina Performing Arts* that the Town of Carrboro construct, own, and lease to a partnership consisting of these three 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 currently 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 only if the new facility were constructed. To illustrate, construction of a new hotel on the property now owned and occupied by the ArtsCenter, which would generate substantial addition 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, each of the three 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 three non-profits should be made contingent upon these 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 three 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 three 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/>

<https://www.carolinaperformingarts.org/>