



MEMORANDUM

To: Trish McGuire, Town of Carrboro Planning Director

From: Christy Raulli, Associate Director, DFI

Date: September 10, 2015

Re: *Proposal for high level comparison of project feasibility for the Carrboro Arts & Innovation Center development (CAIC) consisting of the Carrboro ArtsCenter and Kidzu Children's Museum as a stand alone project or in conjunction with a southern branch of the Orange County.*

The School of Government established the Development Finance Initiative (DFI) in 2011 to assist North Carolina communities in achieving their community economic development goals. DFI brings specialized development and finance expertise to attract private investment into transformative projects.

The following scope of work is based on initial conversations with the CAIC technical committee, and will begin upon execution of a letter of agreement and upon receiving the findings of the non-profits' work with the SBTDC.

Scope of Work

Examine Current Conditions:

- a) Review current and historic plans, documents and materials relevant to the project, including strategic and business planning document of the non-profit partners
- b) Review current and historic plans, documents and materials relevant to the project in the context of all project partners' goals and vision
- c) Develop a real estate development pro forma that identifies the development costs and operating expenses for a stand-alone CAIC and combined CAIC and library, including
 - a. Preliminary program options (i.e. uses of the space and corresponding square footage of each use and analysis of impacts of shared use)
 - b. Identify amount of parking that will be needed for the facility, and model costs of both surface and structured parking to satisfy demand
 - c. Identify and advise on potential district designations (Municipal Service District, Urban Redevelopment Area, Special Assessment area, etc.) that would best facilitate achieving goals for the Project
 - d. Identify options for financing and structuring public-private partnerships, including use of development finance tools from the private sector (such as New Markets Tax Credits) and the public sector (such as synthetic Tax Increment Financing)

Timeline

DFI estimates the timeline for completing necessary financial modeling work is 8 weeks.

Deliverables

Deliverables include presentations and other documentation of options, assessment and advising relating to Project including district designation, finance tools (timing/phasing), program plan and pro forma. Deliverables are shared in pdf format.

Fee

The Town of Carrboro is client for this work, with \$15,000 in funding coming from the non-profit partners.