



FUSE District Development

Solicitation for Development Partners

Gastonia, NC | Summer 2019

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The Opportunity

The City of Gastonia, North Carolina, (“Gastonia” or the “City”) is pleased to release this Solicitation for Development Partners (“Solicitation”) in partnership with the UNC School of Government’s Development Finance Initiative (“DFI”) for three development opportunities within the Franklin Urban Sports & Entertainment (“FUSE”) District. The FUSE District is a multi-phase, mixed-use development that will leverage the City’s sports and entertainment facility to stimulate demand and investment for adjacent development opportunities. This Solicitation represents the following three development opportunities, and the City and DFI will release additional development opportunities as projects proceed.

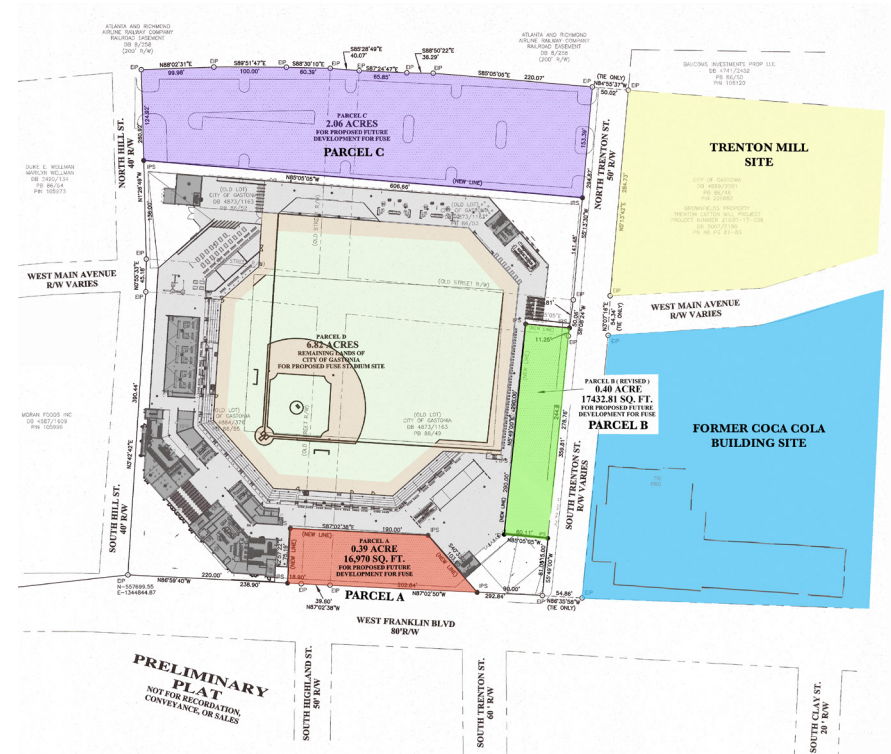
- **Former Coca Cola Building:** Adaptive re-use of the existing 1935 structure into commercial purposes that could include food and beverage, retail, office, etc.
- **Hotel:** New construction of a minimum 90 key hotel on Development Pad B.
- **Office:** New construction of a minimum 50,000 Gross SF office building that could include retail on the ground floor on Development Pad A or C.

The City is currently seeking Development Partners interested in serving as a master developer for the identified development opportunities or to work on components of these opportunities. All of these development opportunities exist in a Qualified Opportunity Zone as well as a New Markets Tax Credit eligible Census Tract.

THE FUSE VISION

In multiple communities, downtown master developments anchored by professional baseball stadiums support significant market absorption

and premium rents. Some of these developments have been built out like in Durham, while others are under construction like in Fayetteville, High Point, and Kannapolis. These examples show how uses including office, hotel, retail, and residential each benefit from proximity to a ballpark. For example, the office buildings surrounding the Durham Bulls Stadium have held a 0-4% vacancy rate since their initial lease up (between 2010-2015). And, the Hilton Garden Inn in Manchester, NH that is built into the concourse, as is proposed in the FUSE District, generated a RevPAR penetration of 135-140% in 2016.



The City is already starting to see private investment adjacent to the new stadium. In response to a previous Solicitation for the historic Trenton Mill, the City and DFI received six proposals. The City ultimately selected Lansing Melbourne Group (“LMG”) to execute its proposed adaptive reuse of the Trenton Mill into at least 75 apartments. LMG anticipates a Spring 2021 delivery of that project.

The City and DFI have created a total of five development opportunities within the FUSE District. In this Solicitation, the City and DFI will consider a Development Partner responding to one, two, or all three of the opportunities described below.

FORMER COCA COLA BUILDING

The historic Coca Cola Building represents a strong adaptive reuse opportunity. Located across Trenton Street from the stadium and on Franklin Boulevard, the former Coca Cola Building contains a variety of spaces that could be a good fit for commercial uses including a brewery, coffee shop, restaurants, retail, office space, etc. With ballpark attendees and the new users and tenants of the proposed private development projects, this historic building offers great potential for businesses looking to capitalize on the new stadium.

HOTEL

Located in the outfield of the new baseball stadium, the new construction hotel opportunity will be a very unique hotel with its views and integration into the stadium. This hotel will be developed on a 0.4-acre pad along Trenton Street. The hotel should contain a minimum of 90 keys and will be parked in the lot across Trenton Street.

OFFICE

Views from a new office building directly onto the baseball field will make this office development the most unique in the Gastonia market. The City is seeking a partner to develop a minimum of 50,000 Gross SF consisting primarily of office space, with the option to include retail on the ground floor. The City is open to office development on either Development Pad (Parcel) A, south of the stadium, or Development Pad (Parcel) C, north of the stadium. Development on Pad A will park behind the former Coca Cola Building, and development on Pad C could park within Pad C.

TIMELINE



All questions regarding this Solicitation including procedures for responding, clarifications of the terms, conditions, and requirements, should be directed to Jordan Jones, DFI Development Advisor, at jones@sog.unc.edu.

DFI's Role

The City engaged DFI in April 2017 to create a phased development plan for City-owned properties in Gastonia's FUSE District. DFI is a program of the UNC School of Government that provides specialized finance and development expertise to assist local governments in attracting private investment for transformative projects. DFI has been engaged in more than 100 projects in communities across North Carolina, and more than \$1 billion of investment will occur if all of DFI's pipeline projects are completed.

DFI undertook significant predevelopment work prior to releasing this Solicitation, including the following five-part assessment that resulted in the proposed adaptive reuse and development opportunities identified in this Solicitation:

- **Market Assessment:** assessing the supply and demand for a diversity of potential private uses, including multi-family, retail, office, and hospitality.
- **Site Assessment:** studying the physical constraints of the existing site and working with a design team to program the former Coca Cola Building and proposed new hotel construction.
- **Public Interests:** engaging with the various stakeholders who are interested in the development of the FUSE District, including City staff and elected officials.
- **Financial Feasibility:** projecting the development costs and cash flows to ensure viability of the project for private investors. DFI's financial assumptions are available upon request.
- **Public Investment:** identifying the potential avenues by which the public sector can participate to enhance the attractiveness of this development opportunity.

DFI's predevelopment work thus far will benefit the private developer selected by Council through significantly reducing the time, effort, and expense required to move the project through the City's public planning process. The selected developer is required to pay a 1% development services fee to DFI as part of any Development Services Agreement related to the development of the FUSE District. The terms of the fee are further described in Appendix A of this Solicitation.

FUSE District Overview

The FUSE District connects Gastonia's Downtown to the Loray Historic District along Franklin Boulevard. To fuse is to join or blend to form a single entity – a credo adopted by the FUSE District which rings true throughout its broader vision. Be it through the multi-purpose sports and entertainment venue, the adaptive reuse of unique, historic buildings, or the development of new properties, FUSE will connect a stretch of cultural, social and economic activity in Gastonia's center city.

The idea for a multi-purpose center city ballpark began in 2013. The City commissioned a study to analyze developing a new ballpark versus upgrading Sims Park, the current home of the Coastal Plain League's Gastonia Grizzlies, located approximately two miles north of Downtown. Trenton Street, which runs perpendicular to Franklin Boulevard through FUSE, was a top choice for the new ballpark early in the ideation process. In early 2016, the City began acquiring site control and spurring planning for the broader FUSE District.

Phase I of FUSE began in September 2016, with the City Council unanimously approving various land acquisition, demolition, survey and environmental analysis projects. To date, Gastonia has acquired 16 contiguous acres in the FUSE District, totaling approximately \$4M in acquisition investment. Around the same time, the City contracted with consulting firm Conventions, Sports & Leisure International and design firm ODELL to conduct a feasibility study and generate preliminary drawings for the stadium complex. After the City acquired sites in the district and the feasibility studies were completed, the City engaged DFI to conduct predevelopment analysis for development pads around the stadium and to create a phased development plan. The City then hired Pendulum Studio as the lead architect for the stadium in Summer 2017.



FUSE District Rendering

Today, the new multi-use facility is scheduled to break ground on September 5, 2019 with completion Spring 2021. This \$24M+ facility will be home to a professional baseball team. Additionally, the facility is purposely designed to host a variety of non-baseball events such as concerts. This 5,000-seat facility will, as has proven with other new comparable projects, drive significant foot traffic and therefore new demand in the FUSE District.

With significant interest from potential Development Partners, the City is releasing three major development opportunities within the FUSE District. The City is open to Development Partners responding to one, two, or three of the development opportunities.

FUSE District Overview



West Franklin Boulevard Rendering Showing Stadium and Former Coca Cola Building

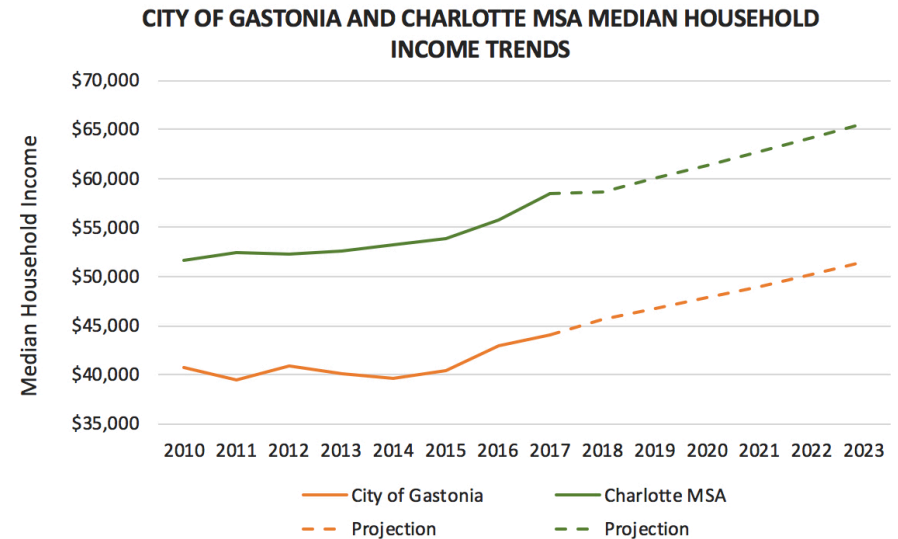
City & Market Summary

The proposed uses for the FUSE District will be supported by more than the \$24M+ FUSE baseball stadium alone. The Gastonia market is strong and continues to strengthen. Gastonia is 20 minutes west of Charlotte Douglas International Airport and 30 minutes west of Uptown Charlotte.

In 2018, Gastonia had a population of 77,024, a 7.4% increase from its 2010 population, and is the third largest city in the Charlotte MSA. The City is expected to continue to grow by an additional 1.1% each year, according to a 5-year projection. A significant source of this population growth is households electing to migrate from Mecklenburg County to Gaston County. This migration has led to Gaston County's resurgence as a residential destination for families from neighboring counties, with approximately 23% of families moving to Gaston County coming from Mecklenburg County, per the US Census Flows Mapper.

Median household income for the City has increased 8% from 2010 to 2017, with the strongest growth occurring in the most recent years, just slightly less dramatic than the growth experienced by the entire Charlotte-Concord-Gastonia MSA. The City and the MSA are projected to experience an annual 2.4% and 2.3% growth in median household income over the next five years, respectively.

From 2010 to 2016, Gastonia also saw growth in business establishments and employment opportunities. Across the board, the number of business establishments employing skilled professionals (including Finance and Insurance, Real Estate, Science and Technology, and Administration specialties) increased. In the same timeframe, the number of employees in those sectors increased by over 14%. Gastonia's Leisure and Hospitality sectors are also growing, experiencing more than



Sources: American Community Survey, 5-year Estimates (historic data); ESRI BAO, Demographic and Income Profile (projection)

BUSINESS PATTERNS, GASTONIA, NC

NUMBER OF BUSINESS ESTABLISHMENTS	2010	2016	% INCREASE
All Sectors	3,935	4,060	3.2%
All Office-based Sectors	1,363	1,413	3.7%
Information	29	34	17.2%
Finance and Insurance	206	209	1.5%
Real Estate	147	176	19.7%
Professional/Science/Technology	280	287	2.5%
Management of Companies	23	33	43.5%
Administration, Support, and Waste	200	218	9.0%
All Leisure and Hospitality Sectors	366	407	11.2%
Arts, entertainment, and recreation	45	45	0%
Accommodation and food services	321	362	12.8%

Source: US Census Bureau, County Business Patterns

a 12% increase in Accommodation and Food Services establishments, and over a 25% increase in employment in that sector and the Arts, Entertainment, and Recreation sector combined. These numbers indicate a strong trade area and inflow of human resources to support continued growth of professional services and leisure industries.

Positive net migration and business growth has stimulated significant development in the City to date. Gastonia's city center boasts beautiful historic buildings, a vibrant retail presence, unique dining options, and a burgeoning arts and culture scene. Much of the progress in Gastonia stems from the creative reuse of the City's historic structures, creating exciting, amenity-rich offerings in and around the downtown area:

- Loray Mill: Redeveloped 600,000 SF mill, featuring 190 residential units, 100,000 SF of commercial space, and over \$40M of investment in its first phase
- The Esquire Hotel: Renovations of the 100-year-old downtown Lawyers Building to deliver a boutique hotel in Fall 2019
- Webb Custom Kitchen: Upscale restaurant featuring locally-sourced menu items and craft cocktails located in the former Webb Theater
- Cavendish Brewing Company: 16-tap brewery with five flagship beers located in a repurposed automotive dealership

Furthermore, Gastonia is home to numerous long-standing institutions and nearby natural attractions. The Schiele Museum of Natural History, one of 70 museums nationwide designated as an affiliate of the Smithsonian Institution, is located a few minutes east of downtown, and the American Military Museum is located right in the City's core. Also just a short drive from downtown are Crowders Mountain State Park, the US National Whitewater Center, and the Daniel Stowe Botanical Garden.



Loray Mill



Webb Custom Kitchen

Guiding Public Interests

One of DFI's critical roles is working with the City to identify a project's guiding public interests, or public benefits the project should generate for the local community. City Council unanimously approved the following guiding public interests for the FUSE District:

- Increase residential and commercial density via mixed-use new construction and adaptive reuse
- Create vibrant, walkable area destination of commercial activity
- Maximize private investment and optimize public investment



Former Coca Cola Building with Trenton Mill in the background

Former Coca Cola Building

The former Coca Cola Building is located at 620 W Franklin Boulevard. Built in 1935, the building is not currently listed on the National Register of Historic Places but has the potential to qualify for the federal and state Historic Rehabilitation Tax Credits. The building was only recently vacated in 2018 when Fab-Tech, a machining and fabrication company, relocated.

The City acquired this property in 2018. Along with 50,089 Gross SF of buildings, the property includes about two acres of land. The City proposes to retain the land, develop it as parking, and lease it to the private developments within the FUSE District. Currently, the City is exploring parking design options on this land, targeting 300+ spaces.

The proposed vision for the former Coca Cola Building is to convert the structure into multiple commercial spaces that could include a brewery, restaurants, retail, office, etc. DFI's market analysis has identified significant market absorption of retail that will only be amplified when the new stadium opens Spring 2021. The property also has significant frontage along Franklin Boulevard or NCDOT Highway 29/74 that serves as a primary gateway from Gastonia to Charlotte. A recent traffic analysis in front of the property identified average daily traffic count of about 13,000 vehicles.

DFI, in collaboration with the City and Tise-Kiester Architects, has developed an adaptive reuse program for the site that includes a minimum of 40,828 leasable SF. Plans for the reuse of this property are available upon request.

In underwriting this project with a targeted 20% IRR, the City and DFI assumed:

- 40,828 leasable SF
- \$18.00 NNN lease rate with \$40/SF tenant improvements
- City sells buildings for \$751,335 and provides 100% seller financing (subordinate, 8% interest only payments, balloon payment in Year 10 or earlier with re-finance)
- City leases parking to development for \$25/space/month
- City initiates process to designate buildings with historic landmark status (N.C.G.S. 105-278) that will decrease the tax assessed value by 50% in perpetuity.



Coca Cola Building Plans

Hotel

The proposed new construction hotel will be located along Trenton Street as identified as Development Pad B in Appendix B. The hotel will be located in the outfield of the stadium with about half of its rooms overlooking the new stadium, similar to the Hilton Garden Inn in Manchester, NH.

In multiple downtown master developments anchored by professional baseball stadiums, hotels perform well and can generate a higher ADR than their competitors. The Hilton Garden Inn in downtown Manchester, NH is a comparable project that opened in 2006. This property in downtown Manchester overlooks the baseball stadium of the minor league New Hampshire Fisher Cats (Double A team). This Hilton Garden Inn generated a 135-140% RevPAR market penetration in 2016.

Similarly, a Courtyard by Marriott in Aberdeen, MD, built in 2007, overlooks the Ripken Stadium, home of the minor league Aberdeen IronBirds (Class A team). This property generated a 120-125% RevPAR market penetration in 2016.

Another recent example of a hotel developed adjacent to a stadium is the new Hyatt Place Hotel located in downtown Greensboro. This property opened in 2019 and is located across the street from the First National Bank Field that is home to the minor league Greensboro Grasshoppers (Class A team).



Hilton Garden Inn, Manchester, NH

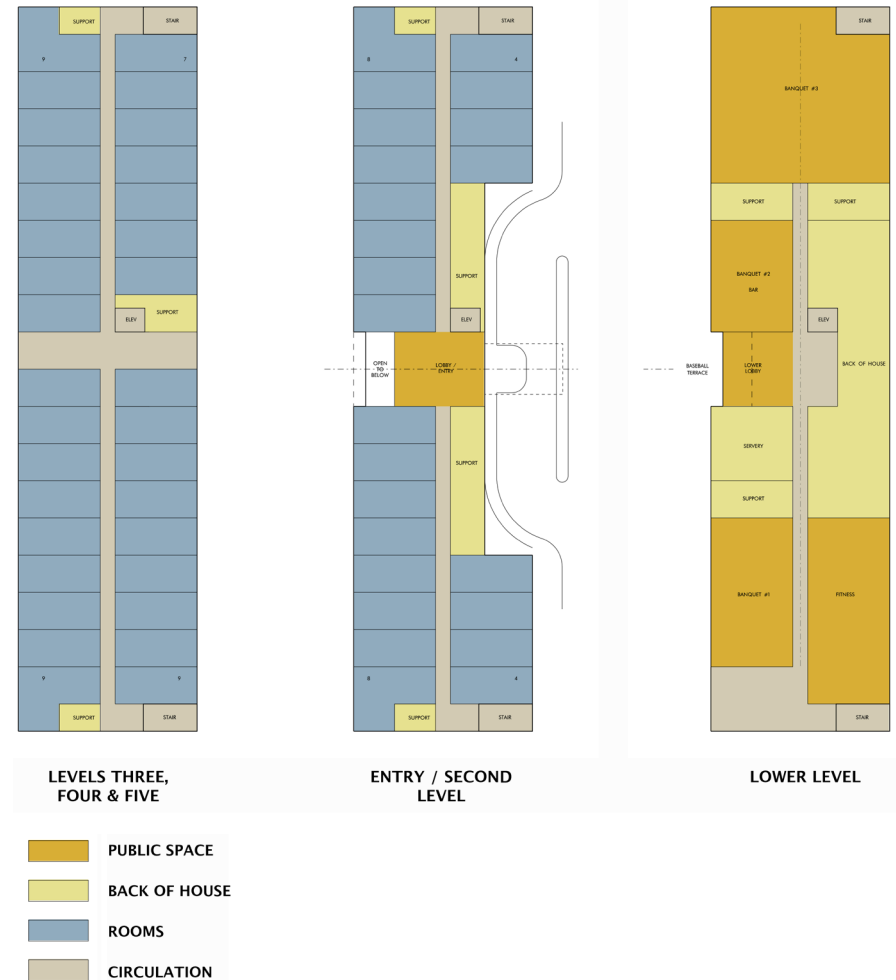


Hyatt Place Hotel, Greensboro, NC

DFI has worked with Tise-Kiester Architects to develop a hospitality concept for Development Pad B. Upon request, DFI will provide a test fit for a 123-key hotel at this location. The test fit envisions a curbside drop off along S Trenton Street and orients the hotel's food and beverage space facing the stadium.

In underwriting this project with a targeted 19% IRR, the City and DFI assumed:

- 71,000 Gross SF
- 5,700 SF of food and beverage
- 123 keys
- \$135 ADR and 75% occupancy
- City sells property for \$275,482 (valuation of \$750,000 per acre)
- City leases parking to development for \$25/space/month



Hotel Test Fit

Office

The City desires a targeted 50,000 Gross SF building for office space, and is open to the first floor as retail. The City envisions office on either Development Pad A or Development Pad C, as identified in Appendix B. The Development Partner will have the option to purchase Pad A for building construction and lease parking behind the former Coca Cola Building from the City, or purchase 0.5 acres of Pad C for building construction and lease adjacent parking.

Office developments are often built adjacent to minor league baseball stadiums. In Durham, three office buildings, Diamond View I, II, and III, stand in the Durham Bulls' outfield. These buildings continue to perform with strong occupancy and lease rates. At Segra Park in Columbia, SC, the 108,000 Gross SF First Base Building is an office building developed along the first base line. It was the first building that opened with Segra Park in April 2016.

Underwriting this project with a targeted 19% IRR assumed construction on Development Pad A and:

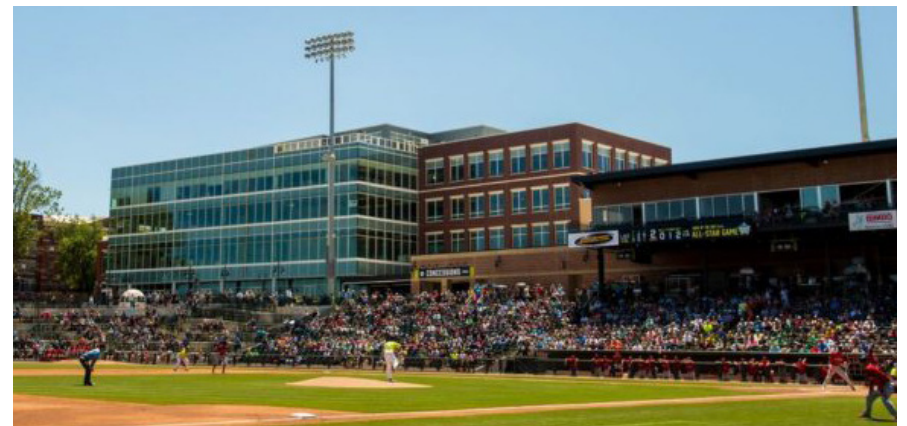
- 10,000 Gross SF Floor Plate
- 7,500 SF of Ground Floor Retail
- 34,000 SF of Usable SF and 39,100 Rentable SF (a 15% load factor)
- \$24.50/SF NNN Office Rents and \$18.00/ SF NNN Retail Rents
- City sells Development Pad A for \$258,264*
- City leases parking to development for \$25/space/month

* Underwriting office development on Pad C should assume a land purchase of 0.5 acres for \$375,000 (valuation of \$75,000 per acre).

The City and DFI recognize an office development's success can be dependent on securing necessary pre-leases. Therefore, the City and DFI will work with the selected Development Partner to negotiate an agreement that provides the necessary timeline for the Development Partner to meet pre-lease requirements.



Diamond View II at Durham Bulls Stadium, Durham, NC



First Base Building at Segra Park, Columbia, SC

Submission Process

Development Partner proposals are due by 5:00 p.m. EDT on September 13, 2019. Proposals should be submitted electronically in PDF format to Jordan Jones, DFI Development Advisor, at jones@sog.unc.edu.

Proposals must be prepared in conformance with the guidelines described under “Submission Requirements.” The e-mail subject must be “Development Partner Proposal: Gastonia, NC”. Proposals received after the deadline will not be considered.

All responses are subject to public disclosure under North Carolina Public Records Law. DFI recognizes that respondents must submit financial information that it may deem confidential and proprietary to comply with the requirements of this solicitation. To the extent permissible by law, DFI agrees to keep confidential any confidential proprietary information included in a response, provided that (1) the respondent identifies the confidential proprietary portions of the response, (2) the respondent identifies as confidential and proprietary only those portions of the submittal that are confidential and proprietary, and (3) the respondent states why protection is necessary. Respondents shall not designate their entire response as confidential and proprietary, nor shall they so designate information that is already public.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to jones@sog.unc.edu. The e-mail subject must be “PROTECTED: Development Partner Proposal: Gastonia, NC”.

All questions regarding this Solicitation including procedures for responding, clarifications of the terms, conditions, and requirements, should be directed to Jordan Jones at jones@sog.unc.edu.

Submission Requirements

PROPOSAL

1. Identify development pad(s) being proposed: former Coca Cola Building, Pad A or C (proposed as Office), Pad B (proposed as Hotel), or a combination.
2. Development Plan (plans for each development should be detailed separately and clearly labeled) – Propose:
 - a. Program (as applicable to development pad): Gross SF, Leasable SF, number of hotel keys, number of retail spaces
 - b. Lease rates (or, for the Hotel, average daily rate and occupancy)
 - c. Estimate of parking spaces needed
3. Preliminary Site Plan – Propose:
 - a. Building massing for new construction projects or conceptual plan for Coca Cola Building
 - b. For Development Pad A or B, discuss how project would interact with FUSE stadium
4. Development and Financing Assumptions – Provide:
 - a. Sources and Uses
 - If public participation is anticipated, propose the public investment structure and amount and provide financial analysis to demonstrate why such participation is necessary
 - b. Required investor return hurdle rate (submit as confidential)
5. Acquisition Price – Propose:
6. Earnest Money Deposit – Propose amount and terms
7. Timeline – Propose:
 - a. City and Development Partner Execute a Memorandum of Understanding
 - b. City and Development Partner Execute a Development Agreement
 - c. Development Partner breaks ground

QUALIFICATIONS

8. Letter of Introduction
 - a. Include a summary of the respondent's qualifications, experience, interest in this opportunity. Special attention should be given to a clear statement outlining how this proposal aligns with the guiding public interests. The letter must be signed by a principal or authorized officer of the entity.
9. Development Team
 - a. Identification of partner firms and roles, including co-developers, architects/designers, and potential general contractor.
 - b. Overview of each firm on the team, including brief history of firm, licensure, past experience working with the developer, and relationship of

the firm's parent company with the office responsible for this project, if applicable.

- c. Identification and resumes of lead staff (principals and project managers) who will be responsible for negotiating a development agreement with the City.

10. Experience & References

- a. List of five current and completed projects (preferably in the last five years) relevant to proposed plans. Include the following information:
 - i. Name, location and completion date of project
 - ii. Development team members, including architects/designers and general contractors
 - iii. Scope and scale of development program
 - iv. Photos/illustrations of completed project
 - v. Capital stack. Include any government sources.
 - vi. Financing partners

11. Disclosure and evidence of financial stability

- a. Disclosure of any potential conflicts of interest that could be relevant to this project in any manner.
- b. Disclosure of any projects/financing on which the team or any of its members has defaulted.
- c. Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against it, him or her within the past 10 years for breach of contracts for governmental or nongovernmental construction or development.
- d. Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body.
- e. Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting.
- f. Disclosure of whether any officer, director, or owner is currently debarred from bidding or contracting, pursuant to an established debarment procedure, by any public body, agency of any state, or agency of the federal government.
- g. Other evidence of financial stability of developer (can be submitted under confidential cover as detailed in "Submission Process").

Evaluation Criteria & Selection Process

The City intends to select a qualified Development Partner (or Partners) that presents a viable plan, which best meets the guiding public interests. DFI, in conjunction with City Staff, will analyze responses and conduct due diligence, as needed. The City of Gastonia City Council will endorse the selection of a Development Partner (or Partners). An endorsement by the City Council is not a final approval, but will trigger a period of exclusive negotiations between the City and Development Partner for an initial Memorandum of Understanding (“MOU”) and then a development agreement.

The City will consider each response as a whole in the decision-making process. The following evaluation criteria will be prioritized:

- Qualifications and experience of the development team, with preference given for experience with the type of development proposed in respondent’s plan for the site
- Level of integration of guiding public interests, including financial benefit to the City
- Quality and success of prior development projects
- Demonstrated ability to execute project of similar scale
- List of active development projects and recently completed comparable projects
- Demonstration of confidence in the project
- Inclusion of assumptions that reflect market conditions

After a review of submitted proposals, clarifications may be requested. Unless requested by DFI, no additional information may be submitted by developers after the September 13, 2019 deadline.

Additional Information

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the City of Gastonia nor the UNC School of Government, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the respondent.

Tise-Kiester Architects conducted preliminary site analysis and drafted conceptual plans in preparation for this Solicitation. Tise-Kiester Architects will not participate in evaluating responses to this Solicitation.

Those submitting responses to the Solicitation for Development Partners assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the City or UNC to cover the costs of any submittal, whether or not such submittal is selected or utilized.

The City reserves the right to reject any or all submittals, or to waive irregularities or informalities in any submittal, in its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the developer(s) and the City, including but not limited to a Development Services Agreement, are subject to all statutory and legal requirements and ultimate approval by the City Council in its sole and absolute discretion and nothing herein

is to be construed as binding on the City. In modeling this project, it was assumed that the City will convey the property to a private developer pursuant to its authority to convey property for economic development under North Carolina General Statute 158-7.1, among other statutory authority.

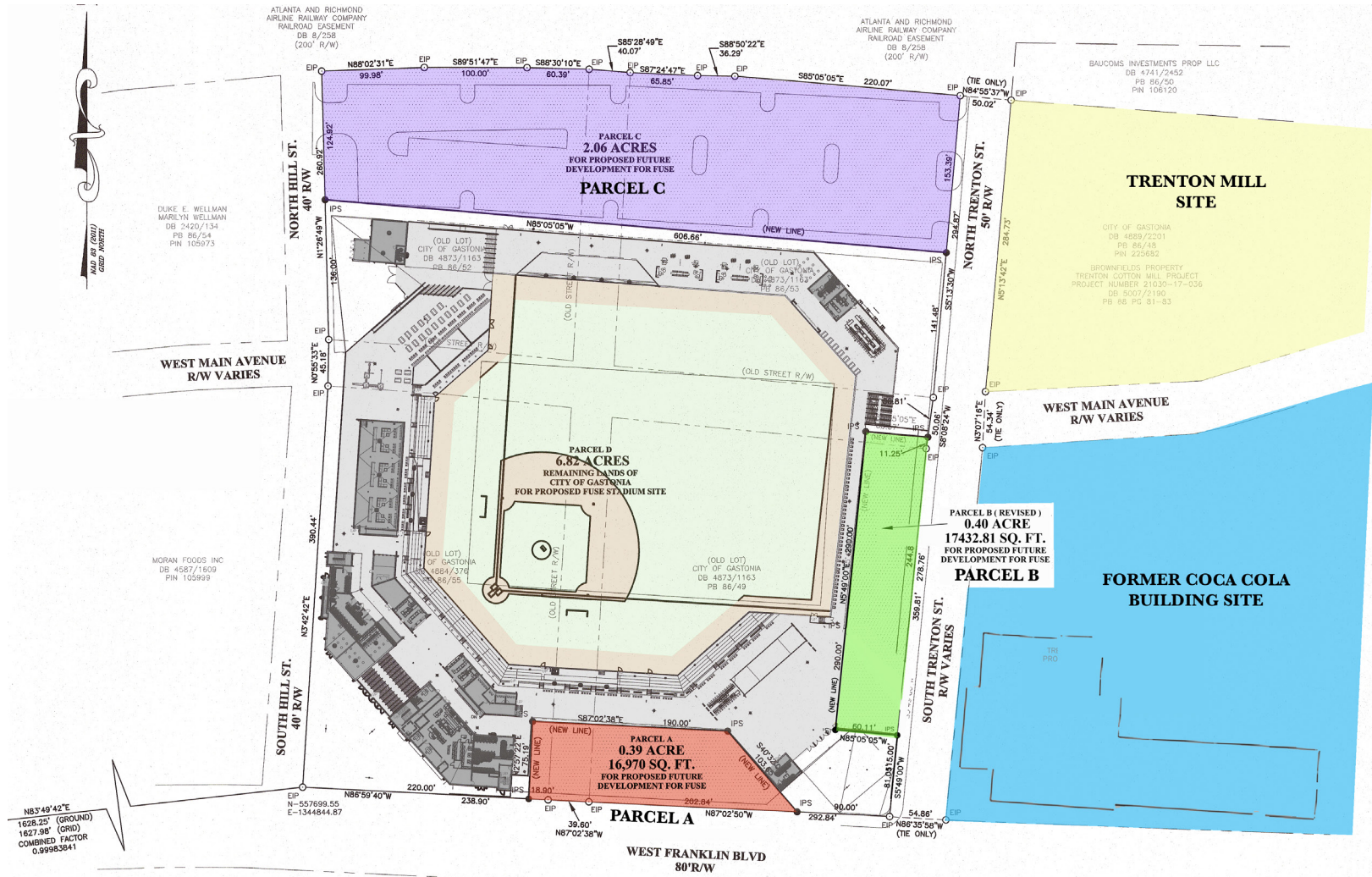
The City makes no express or implied warranty as to matters of title, zoning, tax consequences, physical or environmental conditions, valuation, financial conditions or economic matters, accuracy of the any materials or reports provided, governmental approvals, governmental regulations, or any other matter or thing relating to or affecting the properties described herein or any proposed transaction or agreement contemplated herein. DFI does not act as a broker or agent of the City, and no representation made by DFI during the solicitation and vetting process shall be binding on the City. Notwithstanding any provision herein, this Solicitation shall not constitute an offer to contract on the part of the City and shall not be construed to impose any legal obligations on the City.

This Solicitation does not create any obligation or relationship such as a partnership, joint venture or other similar legal relationship between the City and any potential party. Any references to “partner,” “partners” or other similar terms will not be deemed to create a legal relationship or otherwise alter, amend or change the relationship between any parties in the absence of a formal written agreement specifically detailing the rights, liabilities and obligations of the parties as to a new, specifically defined legal relationship.

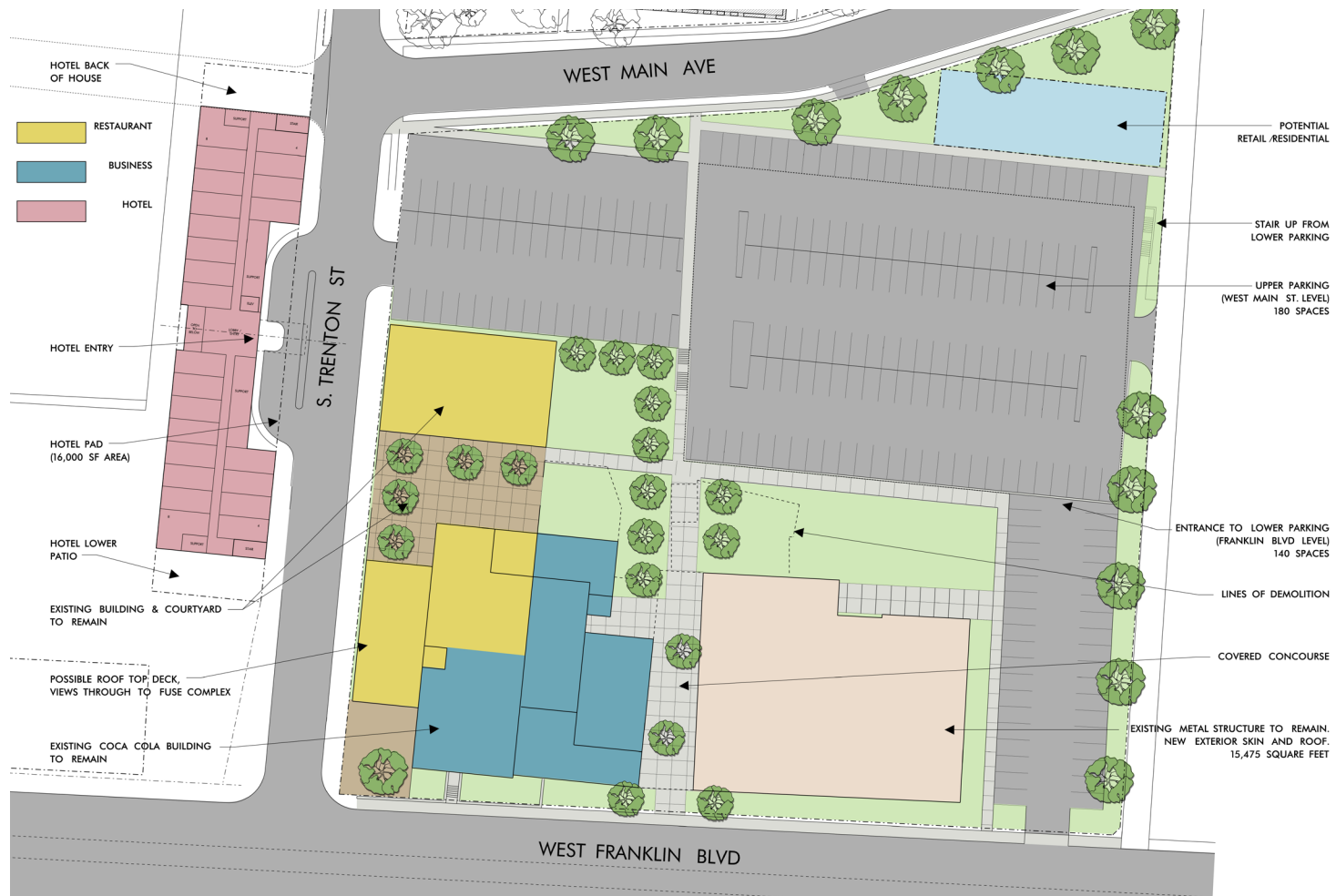
Appendix A: Contingent Fee Payment

The conveyance or lease of any portion of the property described herein (the “Property”) to the selected development entity and its successors and assigns (the “Developer”) shall be conditioned upon the execution of an agreement (the “Development Services Agreement”) between the City and the Developer pertaining to the responsibilities of either the City or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the “Project”). As part of the Development Services Agreement, the Developer shall agree to pay a fee to the City’s consultant (“SOG”) and its successors and assigns for pre-development services provided to the City, and the Development Services Agreement shall provide that SOG is an intended third party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1% of the total projected costs of development of the Project as calculated by the Developer in the most recent version(s) of pro forma and other financial projections (the “Developer Financials”) prepared by the Developer and delivered to City or other parties prior to or contemporaneously with the execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Development Services Fee. The Development Services Fee shall be due and payable in full to SOG no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to SOG may be developed as mutually agreed in writing by Developer and SOG; by way of illustration only, such schedule of payments could be tied to the receipt of any developer fees by Developer. Developer’s obligation to pay Development Services Fee shall not be assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Development Services Fee, except upon written consent of SOG.

Appendix B: Preliminary Plat Plan



Appendix C: Tise-Kiester Site Plan



Hotel and Former Coca Cola Building Site Plan



THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL