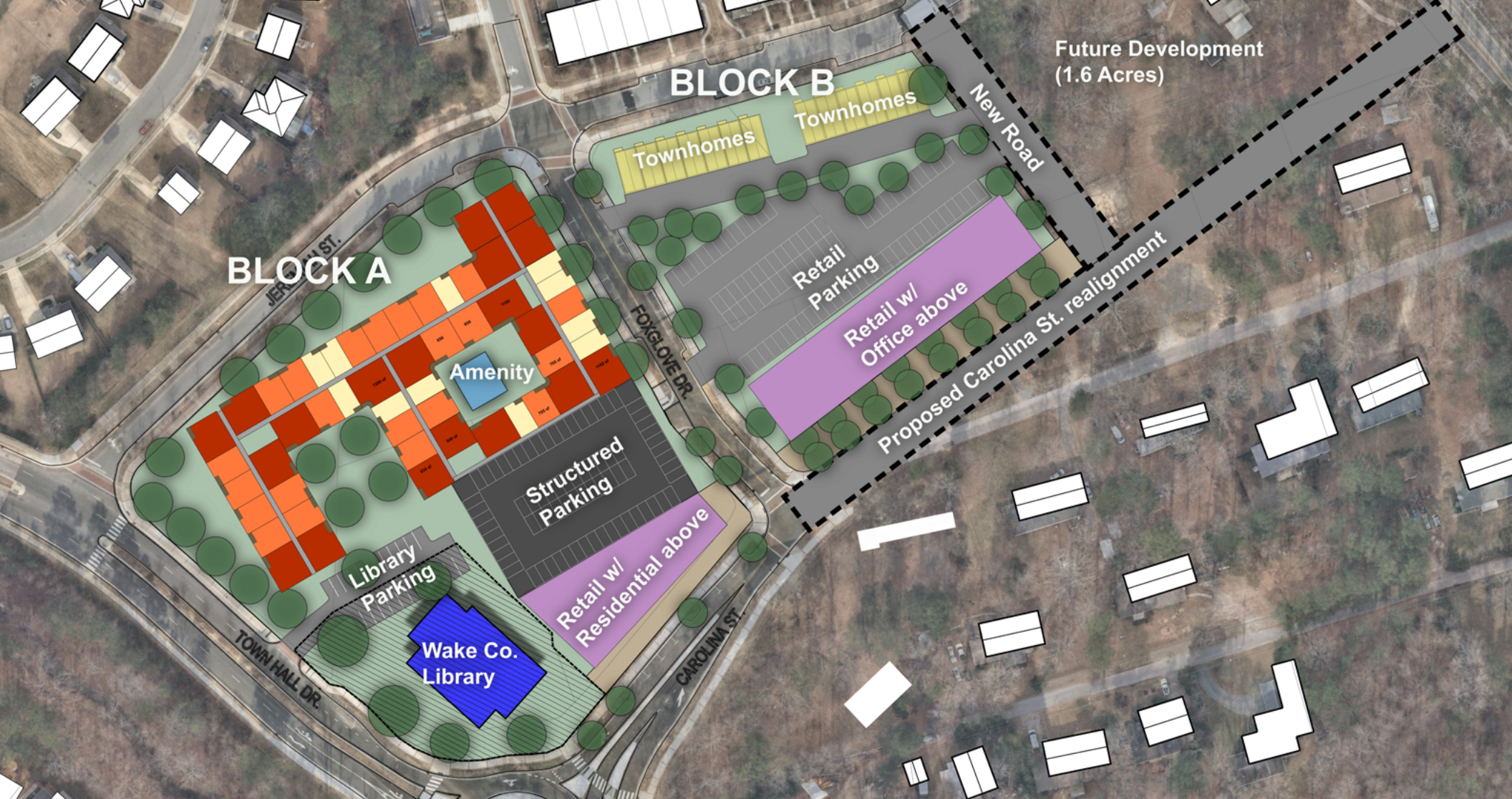




Town Center Core - Phase I

Solicitation for Development Partners

Morrisville, NC | Fall 2020

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Executive Summary

The Town of Morrisville, North Carolina, (“Town”) is committed to the development of a mixed-use Town Center Core and is interested in partnering with private developers to realize their goals and vision to create a destination that will define the culture and community of Morrisville. They have acquired over 15 acres of land near their government center. Through a pre-development process with the Development Finance Initiative (DFI), the Town is now actively pursuing the first phase of development, a 6-acre site for a mixed-use, residential, retail and office commercial project.

TOWN CENTER CORE VISION

Morrisville’s Town Council, recognizing the need to establish a central town core to serve the growing population, endorsed the Morrisville Town Center Core Vision. This 10-year, multi-phase plan includes over 600 residential units, multiple corridors of ground floor downtown compatible retail, small scale office spaces, a hotel, a new branch of the Wake County Library system, the Morrisville Healthy Food Hub, including the Western Wake County Farmers Market pavilion and Morrisville Education Garden, community meeting space, and a Town green space on approximately 36 acres of land. The plan calls for a ‘complete streets’ approach, featuring wide sidewalks with café and retail opportunities, multi-modal transportation systems, and green infrastructure in support of a sustainability focus in development.

FIRST PHASE PROJECT

The 6-acre project site, which includes 2 development blocks, is located along Town Hall Drive, Carolina Street, Foxglove Drive and Jeremiah Street in the heart of Morrisville. It is across the street from the Indian Creek Greenway and blocks from Town Hall and the Morrisville Healthy Food Hub, with direct access to I-40, the Research Triangle Park and RDU Airport.

PROGRAM

The Town has endorsed a conceptual program and site plan developed by DFI and Houseal Lavigne Associates and Little Diversified Architectural Consulting, Inc. (as shown below) that includes development of:

- 202,000 GSF of residential consisting of 201 Studio, 1, and 2 bedroom units
- 30,500 GSF of retail space
- 36,000 GSF of office space
- 15 townhomes
- Parking structure with 304 spaces
- Other parking and road infrastructure

The Town will entertain alternative proposals from prospective developers that consider the site constraints and the design and program preferences of the Town stated in this solicitation.

PUBLIC PARTICIPATION

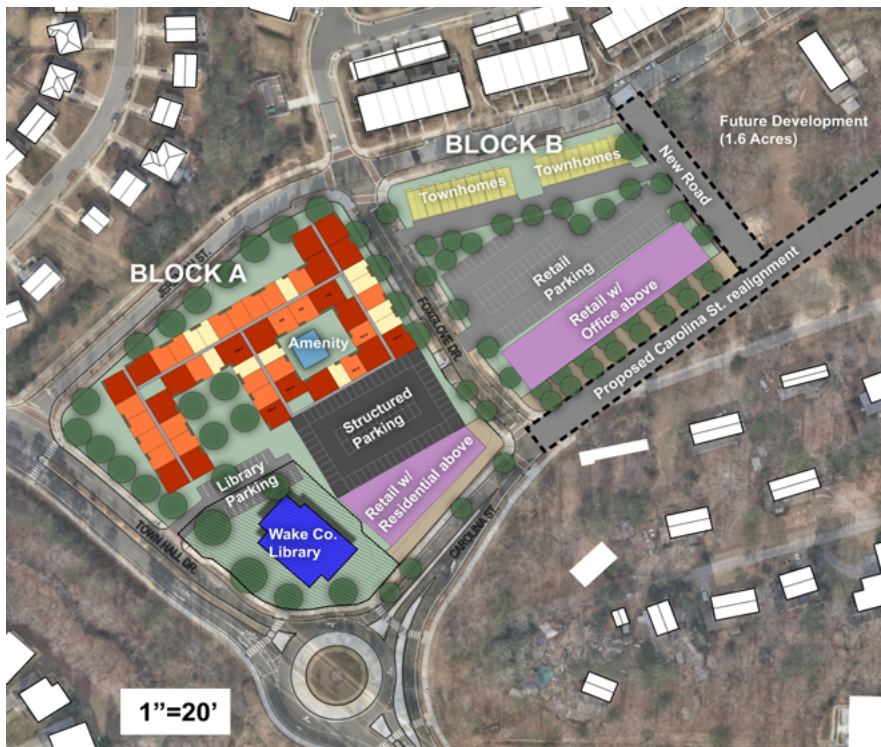
The Town will participate in Phase I of the project in the following ways:

- Sell the land for the site at fair-market value
- Build or participate in building the infrastructure to facilitate the project (e.g. stormwater, roadways, utilities, sidewalks)
- Explore leasing options of commercial space
- Financially participate in the development of parking for the uses on the site
- Facilitate options for future phases of the Town Center

The Opportunity

The Town is seeking a private development partner(s) to undertake this catalytic mixed-use project located in the land designated as the future Town Center Core of Morrisville.

The proposed project is viewed as the first phase of the Town Center Core vision. In total, this project consists of 201 residential units over 202,000 GSF (including indoor amenity space), 30,500 SF of commercial space on the ground floor, 36,000 SF of office space, a 304-space parking structure, 107 surface and street parking spaces and 15 townhomes on two development blocks.



The Morrisville Community Library, a branch of the Wake County public libraries is located on the same block as the residential development. The Library was completed in Summer 2020 and will open as COVID restrictions are lifted. The Wake County Library project is outside of the scope of this project; however, coordination may need to occur during construction of this mixed-use project.

The Town of Morrisville has discussed the potential need for additional community facilities within the Town Center Core and is willing to entertain discussions regarding locating Town facilities within commercial space within the project. Specific needs will be determined by the Town Council.

DFI has assessed this site for its potential as a private real estate development and is now assisting the Town in identifying potential development partners for the Town Center Core Demonstration Project. Furthermore, as part of our engagement with the Town, DFI has worked with Morrisville to structure a public-private partnership that clearly defines the roles and responsibilities of the private developer and the Town in executing a successful project. The details of the development plan and public-private partnership structure are laid out in this document.

Qualified development teams are invited to respond to the following Solicitation for Development Partners. The successful team will execute a development services agreement with the Town; finalize the development program; and design, finance, construct, own and operate a mixed-use project.

INFRASTRUCTURE

To date, the Town has invested \$7.4M in infrastructure improvements to support the Town Center Core, including, expansion of the stormwater pond on the south side of Town Hall Drive to accommodate the development program on this site and the construction of Foxglove Drive Extension, Carolina Street, Jeremiah Street and the Town Hall Drive roundabout.

The First Phase development concept identifies 2 roadway extensions (Carolina Street Extension and also a new connection between Jeremiah Street and the proposed Carolina Street Extension.) These roadways have not been designed or constructed and the Town assumes they will be designed and funded by the Town in coordination with the selected private development group.

The selected development team is responsible for all pertinent development fees associated with the project. The Town's fee schedule can be downloaded [here](#).

ESTIMATED PROJECT DEVELOPMENT TIMELINE

NOVEMBER 2020

Solicitation opens

FEBRUARY 26, 2021

Interested development partners submit responses to solicitation

APRIL 2021

Council selects development partner

JUNE 2021

Memorandum of Understanding

OCTOBER 2021

Development Agreement

APRIL 2022

Site Plan Review and Permitting

AUGUST 2022

Construction to Begin



All questions regarding this Solicitation including procedures for responding, clarifications of the terms, conditions, and requirements, should be directed to Eric Thomas, DFI Sr. Project Manager, at ethomas@sog.unc.edu.

DFI's Role

The Town engaged DFI to create a phased development plan for the Town Center Core of Morrisville. 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.

As part of The Town Center Core Demonstration Project, DFI identified that this project could build momentum for a town center, attract investment for future projects, and best demonstrate the Town's commitment to creating public-private partnership in enhancing Morrisville's town center area. The Town is interested in discussing potential future projects that will help build out the vision for the Town Center Core.

DFI performed a five-part assessment to arrive at the recommended redevelopment program, including:

- **Market Assessment:** studying the supply and demand for potential private uses, including residential, office, retail, and parking. DFI also evaluated the impacts of COVID-19 for the development of the Town Center core. A summary of the findings from this assessment is available upon request.
- **Site Assessment:** studying the physical constraints of the site to determine the density, orientation, and potential massing limitations. The massing of the public and private facilities on the site have been laid out in conceptual drawings, including elevations and floor plans.
- **Public Interests:** engaging with the various stakeholders who are interested in the development of the site, including residents, employees in various town offices and businesses, and Town elected officials and staff.
- **Financial Feasibility:** modeling the development costs and projected cash flows of the public and private facilities to ensure the viability of the project for private investors.
- **Additional Public Investment:** identifying forms of public participation to make the investments viable and serve public interests.

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 Town'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 Morrisville Town Center Core - Phase I. The terms of the fee are further described in Appendix A of this Solicitation of Development Partners (SDP).

Town Center Core Vision

Morrisville's Town Council has recognized the need to establish a town center core to serve the growing population of Morrisville. The vision the Town Council has established is one that blends higher density mixed-use development, public open spaces at different scales for community gatherings, and complete streets that feature wide sidewalks for retail opportunities and green infrastructure.

The Town is currently updating the Comprehensive Land Use plan which incorporates a sub-area plan for the Town Center Core. The current plan can be viewed [here](#).

The Town is committed to realizing the full potential buildout of the Town Center Core Vision. The Town is willing to entertain, as part of this development proposal, negotiating purchase options for other public owned parcels for future Town Center Core development phases.

The Town already owns all of the property required for development of the program described in this solicitation. The Town is currently in the process of adopting a land acquisition policy related to the remaining privately held parcels within the Town Center Core. See the property ownership map in the appendix of this document detailing the parcels that the Town of Morrisville currently owns.



Town Center vision, showing full buildout

Town & Market Summary

The Town of Morrisville is located in the heart of the Triangle. Like many other residential markets in the Triangle, Morrisville has experienced an explosion of growth in the last 10 years and is projected to continue seeing continued growth in the coming years. Much of this growth can be attributed to its advantageous location within 10 minutes of Raleigh-Durham International Airport, Research Triangle Park (50,000 + employees) and 25 minutes to downtown Raleigh, Durham and Chapel Hill, which includes 3 prestigious research universities in UNC-Chapel Hill, NC State University and Duke University. Several highly ranked hospitals are within short drives as well.

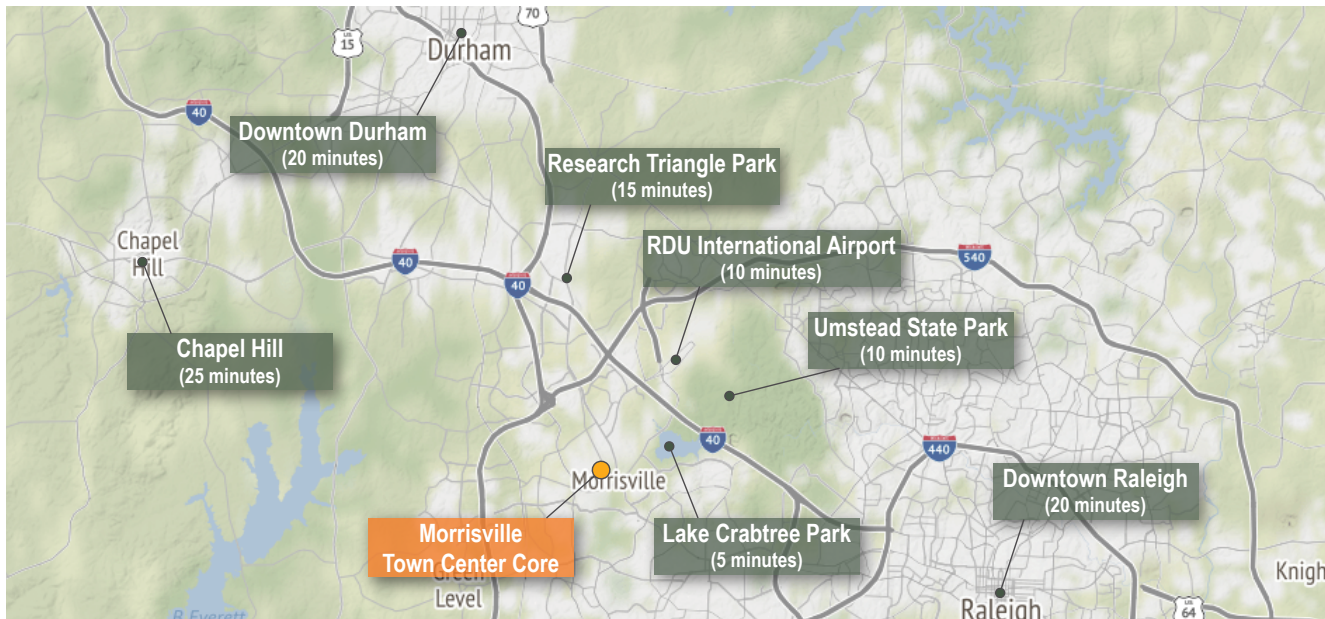
The market has not only seen a dramatic increase in residents but a significant rise in median household growth during the same period.

[Microsoft announced in late 2019](#) the creation of 500 jobs within Morrisville that will pay an average salary of \$125,000. A recent [Money magazine article](#) identified Morrisville as number 10 in the list of the 50 Best Places to Live in America in 2020.

POPULATION AND HOUSING- 2010-2024

Town of Morrisville				
	2010	2019	2024 (Est.)	Ann. Growth (2019-2024)
Population	18,576	29,170	33,946	3.1%
Total Housing Units	8,357	12,127	13,743	2.8%
Owner Occupied	3,698	6,782	8,071	3.5%
Renter Occupied Units	3,943	4,177	4,304	.6%
Median Household Income	\$74,131	\$102,757	\$108,331	1.1%

Source: ESRI Business Analyst, Houseal Lavigne



RESIDENTIAL

The North Cary/Morrisville multi-family submarket is consistently among the broader Raleigh market's most active construction sub-markets. Demand is driven, in part, by recently graduated young professionals arriving from nearby universities. Transplants moving to the area for new job opportunities, however, also drive demand, making the submarket somewhat dynamic, as it is not as affected by traditional, geographic market area constraints. This continued increase in residential demand has generated an annual 4.5% annual rent growth since 2015.

The submarket has total current inventory of nearly 21,000 units, with absorption at a little over 1,000 units over the past 12 months. Multi-family demand in the submarket, however, is projected to grow by approximately 1,300 units, given the Raleigh area's projected population growth over the next five years.

MULTI-FAMILY DEMAND, 2019-2022	
North Cary/Morrisville Submarket	
Population Forecast (2022)	125,000
Avg. Household Size	2.5
Household Forecast	50,000
Percent Renter Occupied	46.9%
Potential Demand (Units)	23,446
Plus: Frictional vacancy	5%
Total Supportable Demand	22,273
Less: Existing Inventory	(20,984)
Potential Demand (units)	1,289

Sources: ESRI Business Analyst, U.S. Census Bureau, CoStar and Houseal Lavigne

OFFICE

A roughly 20 minute drive time trade area from the Town Center Core area shows strong demand for office-oriented industries over the next 5 years. Information, Finance and Insurance, Real Estate/Rental/Leasing, Professional, Scientific Services, Administration Support, Life Sciences and Health Care sectors will increase by approximately 3,300 new jobs within the trade area by 2024. Those new jobs will demand between 500,000 and 670,000 SF of office space depending on space allocation estimates.

The site's location and potential professional office uses would complement the significant growth that has been occurring in RTP, RDU, and Perimeter Park. The vibrant Town Center Core will facilitate future demand increases when further phases are developed.

Sources: ESRI Business Analyst, U.S. Census Bureau, CoStar and Houseal Lavigne

RETAIL

Current analysis suggests a lack of supply of town center compatible retail within a modified 10-minute drive time of the Town Center Core. This trade area is home to over 26,000 households, which is significantly denser than some of the other similarly sized town center areas in this region of the state and is projected to grow to nearly 30,000 households in the next 5 years. Currently, the retail vacancy rate is approximately 7% and the pipeline only identifies approximately 50,000 square feet of new retail. Household population growth, subtracting out the planned retail development within the pipeline suggests approximately 500,000 square feet of retail to be demanded in the next 5 years.

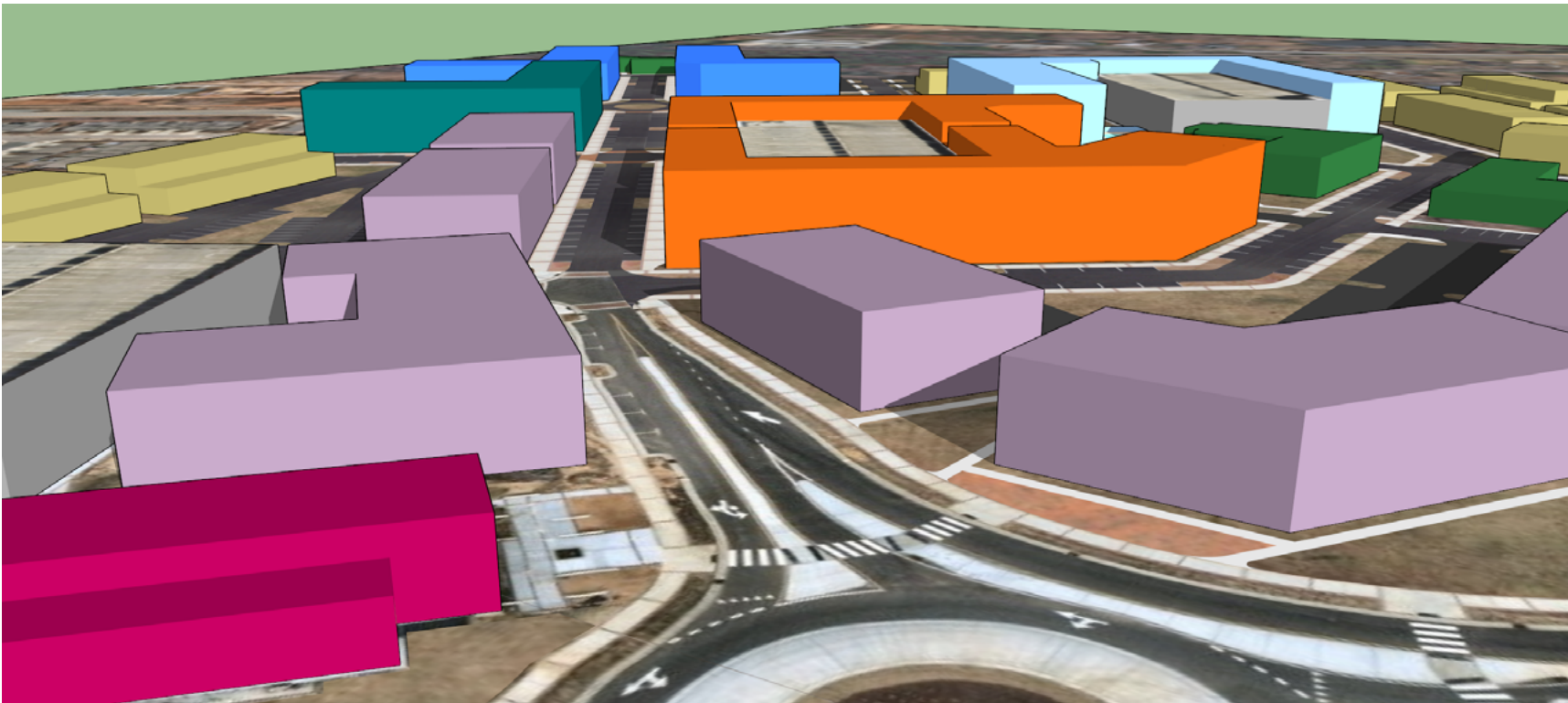
A significant projected sector of growth within the Town Center Core area of Morrisville is in food away from home. Projections suggest between 75,000-100,000 square feet of additional restaurants are needed to serve the population within Morrisville.

Sources: ESRI Business Analyst. and Houseal Lavigne

Guiding Public Interests

As part of the Town Center Core visioning process, the Town Council established a set of guiding public interests for the Town Center Core.

- Integrate higher density residential, office/retail and civic facilities to create a vibrant walkable Town Center
- Create a mix of uses for Town Center that complements the existing quality of life and character of the town
- Leverage recent and planned public investment to attract private investment
- Preserve Morrisville's historic crossroads architecture and small-town feel
- Link existing communities with Town Center via greenways, trails, sidewalks and parks
- Establish recreation and open spaces for community gatherings, cultural events and the farmers market



View looking east from Town Hall Drive down new Carolina Street

Development Program

The project includes the establishment of commercial activity on Block A adjacent to the library along Carolina Street with a mix of residential units and a structured parking deck. Block B continues the ground floor retail activity along Carolina Street with office above. Block B also includes an 85 space surface parking lot and 15 townhome lots that face onto Jeremiah Street.

The development program and conceptual site plans for the 2 development blocks included in this solicitation are by no means the final program or design for this site. It must be emphasized that there is flexibility in the program, density and site design exists. However, several design elements are required. Those requirements include locating retail space fronting Carolina Street, and the private developer coordinating with the Town to address the library's parking needs. See page 13 for more information on the library parking needs.

Town Council and staff have identified their preference for townhomes facing Jeremiah Street on Block B and for the developer to use the current alignment of Foxglove Drive extension; however, the Town is open to providing flexibility for the redesign of Foxglove Drive, with the expectation that the developer would cover all cost impacts of the redesign to the Town.

The Town is committed to a vision and strategy that will provide affordable (workforce) residential options, including but not limited to "live-work" units, micro units, and units eligible for Wake County subsidies. The Town is in the process of further defining an affordable residential vision and encourages creative and innovative strategies on the part of the developer to support this vision.

The Town is interested in developers establishing a vegetative buffer on

the north side of the site. The Town supports further development of existing conditions (benches, walkability, etc.) and the creation of open / green space to encourage community use and public gathering. Tree preservation and/or plantings are also encouraged as a part of the project.

PROGRAM MIX AND RENTS

DFI's market analysis has identified potential program mix and rental rates. However, this information is not a requirement for development responses, but should be viewed solely as one approach that could be used.

PROGRAM MIX				
Type	Gross SF	Leasable SF	Units/ Spaces	Block
Residential- MF	202,000	168,000	201	A
Retail	30,500	28,900		A/B
Office	36,000	32,400		B
Residential- TH			15	B
Structured Parking	155,000		304	A
Surface Parking			85	B

PROJECTED RENTS				
	Units	Unit Size (avg)	Rent/SF (avg)	Monthly Rent
Studio	43	550	\$1.91	\$1,050
1 Bedroom	85	755	\$1.79	\$1,350
2 Bedroom	73	1,100	\$1.55	\$1,700
Retail	28,900	N/A	\$25	
Office	32,400	N/A	\$28	

Projected Costs and Returns

BLOCK A

Based on market comparables, DFI estimates total development costs of this project at nearly \$44.4 million, including the parking deck. The parking deck figure below includes hard and soft costs. Pricing doesn't include acquisition costs.

Total Residential Costs:	\$	34,600,000
Total Retail Costs:	\$	2,300,000
Parking Deck:	\$	7,500,000
Total Costs:	\$	44,400,000

BLOCK B

DFI estimates total development costs of this project at nearly \$13 million, including surface parking. Pricing doesn't include acquisition costs.

Total Retail Costs:	\$	3,400,000
Total Office Costs:	\$	7,100,000
Total Townhome Lot Prep Costs:	\$	500,000
Other Parking and Road Infrastructure:	\$	2,000,000
Total Costs:	\$	13,000,000

PROJECTED RETURNS

Using the above program and rent numbers, DFI has modeled the project to determine overall feasibility and returns for the Developer and Equity Investor(s).

DFI estimates that the developer of this project can achieve market rate returns. Detailed versions of DFI's financial assumptions and models can be requested by emailing Eric Thomas, ethomas@sog.unc.edu

PARKING CONSIDERATIONS

The Town is supportive of the density as proposed within this solicitation and will require any development partners to consider shared parking between the various uses. For example, DFI evaluated a program where the multifamily residential users and office users would share a percentage of parking spaces within the development program.

PUBLIC PARTICIPATION

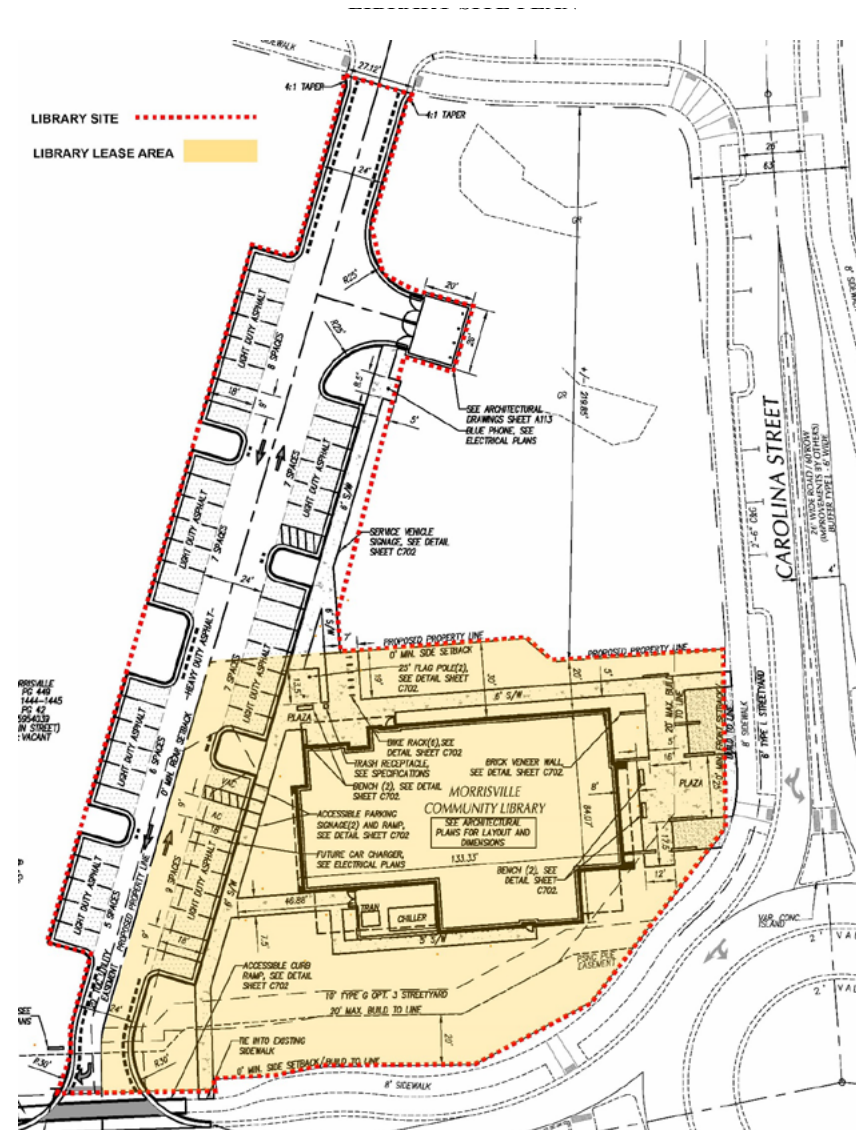
The Town is committed to participating financially with a private developer in the project. The Town has demonstrated a willingness to support the project via sale of the land at fair market value, construction of necessary road infrastructure, funding of off-site stormwater infrastructure, and other necessary investments in parking infrastructure.

The Town of Morrisville and Wake County have collaborated on the Morrisville Branch of the Wake County library system. This 8,800 SF facility incorporates street frontage along Carolina Street and Town Hall Drive and requires 65 parking spaces (surface spaces internal to the site as well as street spaces on Carolina Street extension and Foxglove Drive Extension.)

The goal that Wake County established for the library is to create an attractive and welcoming anchor to the Town Center Core. The library's facade faces out to the intersection of Carolina Street and Town Hall Drive with parking accessed from Town Hall Drive. The developer will need to accommodate parking spaces for the library if their plan determines they would like to build upon the spaces outside of the Library lease area. The adjacent site plan demarcates the land lease for the library development and the current roadway alignment and infrastructure developed by the Town. A detailed CAD file of the Library site plan is available upon request.



13 | Morrisville Town Center - Phase I



Boundary delineation for project- Block A

Evaluation Criteria & Selection Process

The evaluation of developers responding to this solicitation will be undertaken in order to select a partner and plan that is viable and will best serve public interests. DFI will collect and analyze responses, contact references, and coordinate interviews as necessary.

Town and DFI Staff will evaluate all responses to identify a potential Development Partner and a plan that is viable, will best serve public interests, and can be completed in a reasonable time frame. Responses will be evaluated by the following criteria:

- 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, to include financial benefit to the Town
- Quality and success of prior development projects and public-private partnerships
- Demonstrated ability to execute projects of similar scale and complexity
- References from previous local government partners, if any
- List of active development projects and demonstration of confidence in the project
- Ability to execute the project within the Town's proposed timeline

After a review of submitted proposals, clarifications may be requested. Unless requested by DFI, no additional information may be submitted by developers after the February 26, 2021 deadline. Following Council's selection, the Town will commence the negotiation of a formal development agreement.

ESTIMATED SELECTION TIMELINE

Development Partner Proposals Due:	February 26, 2021
Private Development Partner(s) Chosen:	April 2021
MOU with Development Partner	June 2021
Development Agreement Executed:	October 2021
Site Plan Review and Permitting:	April 2022
Construction to Begin:	August 2022

Submission Process

Development Partner proposals are due at **5:00 p.m. EDT on February 26, 2021**. Proposals should be submitted electronically in PDF format to ethomas@sog.unc.edu and Brandon Zuidema, Assistant Town Manager, Town of Morrisville, at bzuidema@townofmorrisville.org.

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

All responses are subject to public disclosure under the North Carolina Public Records Law. DFI recognizes that respondents must submit financial information that it may deem confidential and proprietary in order 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 ethomas@sog.unc.edu. The e-mail subject must be “PROTECTED: Development Partner Proposal: Morrisville, NC.”

For information concerning the procedure for responding to this Solicitation for Development Partners or clarifications of the terms, conditions, and requirements of this SDP, please e-mail Eric Thomas, Project Manager, DFI, at ethomas@sog.unc.edu and Brandon Zuidema, Assistant Town Manager, Town of Morrisville, at bzuidema@townofmorrisville.org

Submission of Proposal

- **Development Plan**
 - Number of Residential Units; Average Size of Units; Mix of Units; Expected Rents
 - Amount of Commercial SF; Expected Rents
 - Expected residential amenities
 - Estimate of parking spaces needed (separate commercial and residential estimates)
 - Timing of Phases, if applicable
- **Preliminary Site Plan – Include:**
 - Diagram of Uses
 - Building Massing
- **Development and Financing Assumptions – Provide:**
 - Sources and Uses
 - If you anticipate Town participation, propose the amount and structure and provide financial analysis to demonstrate why such participation is necessary
 - Required investor hurdle rate, submitted confidentially
- **Acquisition Price – Propose price per acre**
- **Earnest Money Deposit – Propose amount and terms**
- **Timeline – Propose:**
 - Town and Development Partner Execute a Memorandum of Understanding
 - Town and Development Partner Execute a Development Agreement
 - Development Partner starts construction

Submission of Qualifications

- Letter of Introduction
 - a. Include a summary of the respondent's basic qualifications, experience, and reasons for 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 for the entity
- Development Team
 - a. Identification of partner firms and roles, including co-developers, architects and designers, and general contractor or subcontractors
 - b. Overview of each firm on the team, including brief history of firm, 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 Town and completing the remainder of the preconstruction approval process
- Minority and Women Business Enterprise (MWBE) goals
 - a. If available, lead developer's MWBE policy
 - b. If available, historical MWBE performance
 - c. Proposed MWBE goals and strategy to achieve goals
- Experience & References
 - a. List up to five current and completed projects relevant to proposed plans. Include the following information
 - Name, location, and completion date of project
 - Development team members, including architects/designers and general contractors
 - Scope and scale of development program
 - Photos/illustrations of completed project
 - Total development budget by use
 - Capital stack, including governmental sources
 - Financing partners
 - List of current commercial tenants (indicating whether local and/or small business), if available
 - b. Most recent example, if any, of the development team's experience executing public-private partnerships
 - Include all information requested above in list of relevant projects
 - Contact information for a representative of the primary public agency partner in the project

Submission of Qualifications (continued)

- Disclosures
 - 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 him or her within the past 10 years for the 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”)

Additional Information

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the Town of Morrisville 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.

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 Town or UNC to cover the costs of any submittal, whether or not such submittal is selected or utilized.

The Town 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 Town, including but not limited to a Development Services Agreement, are subject to all statutory and legal requirements and ultimate approval by the Town Council in its sole and absolute discretion and nothing herein is to be construed as binding on the Town. In modeling this project, it was assumed that the Town 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 Town 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 Town, and no representation made by DFI during the solicitation and vetting process shall be binding on the Town. Notwithstanding any provision herein, this solicitation shall not constitute an offer to contract on the part of the Town and shall not be construed to impose any legal obligations on the Town.

This solicitation does not create any obligation or relationship such as a partnership, joint venture or other similar legal relationship between the Town 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

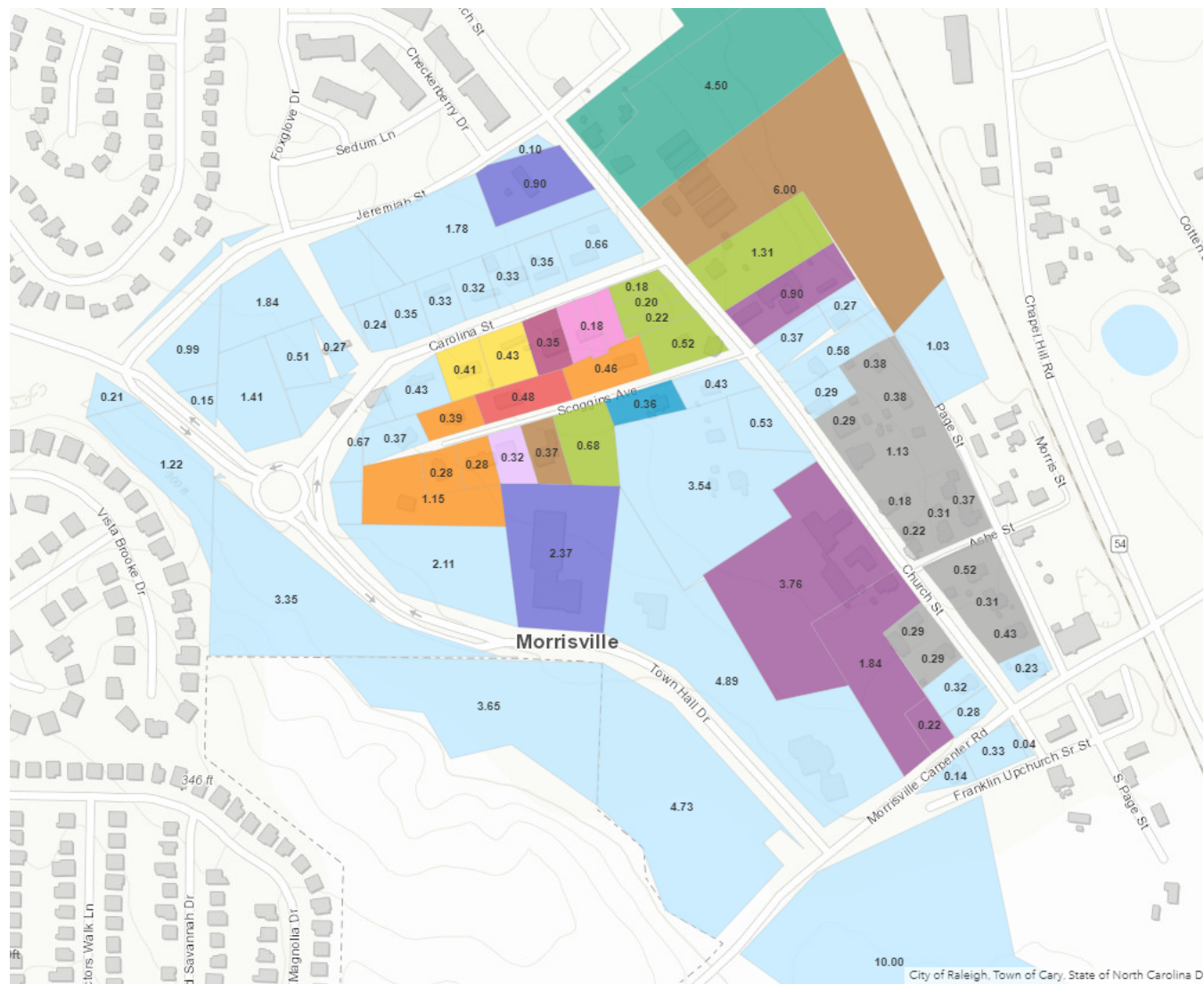
“The conveyance or lease of any portion of the property described herein (the “Property”) to the selected development entity and its successors and assigns (the “Developer”) shall be conditioned upon the execution of an agreement (the “Development Services Agreement”) between the Town and the Developer pertaining to the responsibilities of either the Town 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 Town’s consultant (“SOG”) and its successors and assigns for pre-development services provided to the Town, 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 (such total projected costs to be reduced by amounts paid by Town to Developer for publicly-owned improvements pursuant to the Development Services Agreement), 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 Town 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:

Town Center Core Property Ownership (Data Sourced: November 2020)

TCC_parcel

- MORRISVILLE TOWN OF
- ZUNIGA BROTHERS INC
- FIRST BAPTIST CHURCH
- LYTTLE, ERIC RUSSELL
- SHAH, SUVAS M SHAH, NAYANA S
- TOLER, ROBYN CAROL
- CARSON, NATHAN B TRUSTEE
- CARSON, NATHAN B TRUSTEE & MARIAN R
- HERNDON, ELIZABETH DARLENE
- SMITH, VICKIE M
- OTTAWAY, DAVID LEN OTTAWAY, DARLENE K
- UPCHURCH, MARY J
- UPCHURCH, MARY J MORRISVILLE TOWN OF
- TOLER, ROBERT ALLEN JR
- GHERA, KAMAL
- SMITH, WILLIAM R JR
- SMITH, BEATRICE BODA
- SIMMONS, DAVID CATALAN
- TUCKER, MARILYN QUE
- MARSH, LAURA JEAN KOLB MARSH, SCOTT CAMERON
- MORRISVILLE COMMERCE CENTER CONDO
- Other



Appendix B:

Residential Comps (Data sourced Oct. 2020)

PROGRAM MIX										
	Project Name	Distance from Town Center	Year Built	Total Units	Studio SF	Studio Rent/SF	1 Bed Sf	1 BR Rent/SF	2 Bed SF	2 BR Rent/SF
Apartment Complex	Pointe at Lake Crabtree	1.2 miles	2018	200	N/A	N/A	765	\$1.65	1,094	\$1.46
Apartment Complex	Lantower Weston Corners	2.2 miles	2018	308	712	\$1.56	712	\$1.55	1,220	\$1.25
Apartment Complex	Cortland Cary	4.0 miles	2019	205	609	\$1.97	771	\$1.70	1,213	\$1.39
Apartment Complex	Solis Alston	4.1 miles	Exp. 2021	250	529	\$2.38	837	\$1.59	1,215	\$1.41

Source: Apartment's websites and CoStar



THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL