Solicitation for Development
Partner Proposals
Town of Wake Forest
353 S. White Street
Table of Contents

Executive Summary .......................................................... 03
The Opportunity ................................................................... 04
DFI's Role ........................................................................... 05
Guiding Public Interests ....................................................... 06
Town & Market Summary ..................................................... 07
Development Program ......................................................... 09
Projected Costs and Returns .................................................. 11
Potential Public-Private Partnership ......................................... 12
Evaluation Criteria & Selection Process ....................................... 13
Submission Process .............................................................. 14
Submission Requirements ...................................................... 15
Additional Information .......................................................... 18
Executive Summary

The Town of Wake Forest in Wake County, North Carolina ("Town") is pleased to release this Solicitation for Development Partner Proposals ("SDP") for the redevelopment of 353 S White St. ("Site") in downtown Wake Forest. The Town seeks a qualified development partner or partners to redevelop the Town-controlled site into a mix of market-rate housing, ground-floor commercial space and structured parking ("Project"). Responses to the solicitation are due no later than April 29, 2022.

This document is an invitation for interested development teams to present development concepts for review and consideration by the Town of Wake Forest. The Development Finance Initiative ("DFI"), a program of the UNC School of Government ("SOG"), will help development teams understand and respond to the Town’s requirements for the redevelopment of 353 S White St. This process will culminate in the selection of a development partner or partners and the negotiation of one or more development service agreements for public-private partnerships pursuant to North Carolina General Statutes 158-7.1, 160D-1315, and other relevant authority.

Prior to releasing this SDP, the Town engaged DFI in December 2018 to complete pre-development analysis to ensure the Project and the proposed public-private partnership is supported by the community, endorsed by the Town of Wake Forest Board of Commissioners (BOC), and is financially feasible for development partners.

<table>
<thead>
<tr>
<th>Estimated Development Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>APRIL 29, 2022</td>
</tr>
<tr>
<td>Q3 2022</td>
</tr>
<tr>
<td>Q4 2022</td>
</tr>
<tr>
<td>Q1 2023</td>
</tr>
<tr>
<td>Q3 2023</td>
</tr>
</tbody>
</table>
The Opportunity

Wake Forest is one of the fastest growing communities within one of the fastest growing metropolitan areas in the Southeast. Seventeen miles north of downtown Raleigh, N.C., Wake Forest prides itself on perfectly blending big city energy with small town charm. The Site is in downtown Wake Forest and includes a vacant SunTrust bank branch sitting on 1-acre, along with 0.75-acres of two adjacent properties. Located at 353 South White Street, the Site connects downtown’s historic White Street corridor with the Renaissance Plaza shopping area and is prime for redevelopment. The downtown core has seen recent catalytic investments, such as Powerhouse Row, a mixed-use development adjacent to the Site that opened in 2020, and Loading Dock, a coworking and collaboration space that opened in December 2021.

The Site is located within the Renaissance Area – Historic Core (RA-HC) District of the Wake Forest Unified Development Ordinance (UDO), which was established to encourage high-density, urban design. The Town is prepared to work with a developer or developers to increase the vibrancy of this crucial downtown corridor through development that meets both public and private sector interests.

The Town requests proposals from qualified development teams for the proposed Project. Proposals should include a mixed-use design of ground floor retail and multifamily residential units. A future Town-owned parking deck will occupy approximately 0.75-acres of this site. (The Town currently has purchase and sale agreements in place with the adjacent property owners.) The Town is open to an agreement wherein the private development partner constructs the deck, subject to applicable laws governing public-private partnerships. This deck will park residents living on the property in addition to providing public parking. The Town proposes to manage this parking garage and lease spaces to the selected development partner. The Town has site control of the property required for development of the program described in this solicitation.
DFI’s Role

DFI provides specialized finance and development expertise to local governments to assist them in attracting private investment for transformative projects. DFI has been engaged in more than 200 projects in communities across North Carolina, South Carolina, and Virginia, and those projects have attracted over $1 billion of private investment.

For the Project, DFI performed detailed pre-development analysis to arrive at a recommended development plan. The analysis included:

- **Market Assessment**: assessing the supply and demand for a diversity of potential private uses, including multi-family, retail, office, and condominiums.

- **Site Assessment**: studying the physical constraints of the Site and working with a design team to design a program that maximizes the development potential of the Site.

- **Public Interests**: engaging various stakeholders who are interested in the development of downtown, including Town staff and elected officials.

- **Financial Feasibility**: projecting the development costs and cash flows to ensure viability of project for private investors.

- **Public Investment**: identifying the potential avenues by which the public sector can participate to enhance the attractiveness of the development opportunity.

DFI’s predevelopment work thus far will benefit the private developer or developers selected by the BOC by significantly reducing the time, effort, expense, and overall risk required to move the Project through the Town’s public planning process. The selected developer is required to pay a 1.0% development services fee to DFI as part of any Development Services Agreement related to the development of the Project Site. The terms of the fee are further described in Appendix A of this Solicitation of Development Partners (SDP).
Guiding Public Interests

The Town of Wake Forest Board of Commissioners, staff and other downtown stakeholders worked with DFI to identify project-specific public interests to guide the programming of the Site’s development. The BOC previously endorsed these interests, and they should be noted and incorporated within any submitted proposal.

The Town and DFI identified that new development on this Site should:

• connect the downtown historic core and Renaissance Plaza and serve as a gateway to downtown;

• incorporate engaging street-level uses to increase pedestrian activity along S. White Street, Elm Avenue, and Brooks Street;

• provide sufficient parking to meet needs of development and other downtown uses; and

• minimize public investment and maximize private investment.
Located 17 miles from downtown Raleigh, the Town of Wake Forest has experienced immense population growth from its proximity to the rapidly growing Raleigh metro area and Research Triangle Park (RTP). This growth is expected to continue unabated. Within the past five years alone, the Town of Wake Forest’s population has grown by over 30% since 2016 to just over 50,000 in 2021.¹

### POPULATION AND HOUSING PROJECTIONS, 2026

<table>
<thead>
<tr>
<th>Town of Wake Forest, North Carolina</th>
<th>2026</th>
<th>Expected Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>52,907</td>
<td>6%</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>$100,236</td>
<td>14.3%</td>
</tr>
<tr>
<td>Total Housing Units</td>
<td>19,840</td>
<td>13.6%</td>
</tr>
<tr>
<td>Owner Occupied</td>
<td>14,074</td>
<td>14.7%</td>
</tr>
<tr>
<td>Renter Occupied Units</td>
<td>4,478</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

Source: ESRI Business Analyst Online (2021)

¹. Town of Wake Forest Planning Department (July 2021).

### MULTIFAMILY

The Wake Forest multifamily market, spanning northern Wake County, has expanded rapidly to accommodate the growing number of professionals in the Triangle. Between 2021 and 2026, the Wake Forest market is expected to attract 9,500 new households (2.3% annual growth)², with 15% likely to be renters. The median household income in the Wake Forest market is $91,000 and is expected to increase to $102,000 by 2026.³

As the appeal of the Wake Forest market expands, it is poised to attract an even greater number of workers from in and around the Research Triangle Park ("RTP"), especially with the announcement of the Apple headquarters and Google cloud engineering hub. The number of households within a 30-minute drive-time of RTP is expected to grow by 53,000 in the next five years, with a projected median income of $88,300 – an 11.5% increase from 2021. With Downtown Wake Forest only a 35-to-40-minute drive to RTP, it is expected that Wake Forest will capture some of this demand.

There are approximately 6,500 units in the Wake Forest multifamily market, with a 5.6% vacancy rate. Two multifamily projects are currently under construction, Palisades at Wake Forest and Villagio at La Scala, and will add 450 units to the Wake Forest market in 2022. Within the town limits, 117 units were absorbed between Q3 2020 and Q3 2021. DFI estimates that based on current growth projections and increased demand from new households, Wake Forest can conservatively support an additional 2,500 units over the next five years.

RETAIL

A retail hub for Northern Wake County and neighboring Franklin County, Downtown Wake Forest provides the density and downtown activities sought by residents. The Town has seen over $12 million in private investment within downtown Wake Forest in 2021, including projects like Powerhouse Row, a small multi-use development, and Strike and Barrel, a bowling-anchored entertainment venue within Renaissance Plaza.

According to CoStar, the retail market area for Wake Forest has over 3.7 million square feet of space, with a low vacancy rate near 1.9% and rents averaging $20.23 per SF, showing the strength of the Wake Forest market. As 4,300 new households potentially move into the Wake Forest retail market area in the next five years, demand for retail will continue to grow. DFI estimates that the Wake Forest market can conservatively support 880,000 to 1,240,000 SF of new retail space by 2026.

Development Program

Given market demand, DFI evaluated options for mixed-use site plans that combine residential and street-level commercial uses in addition to structured parking to meet programming needs. During the design process, JDavis Architects was engaged to study development options for the Site.

DFI, Town Staff and JDavis Architects worked together to identify a plan that met the public interests and satisfied the zoning regulations of the Renaissance Area – Historic Core (RA-HC) District, physical constraints of the Site, and design elements desired by the Town, including:

- A 3-story height restriction along S. White Street that extends into one-quarter of the Site.
- A 6-story height restriction along Brooks Street. (A ~17 ft grade change from S. White Street to Brooks Street allows for a stepping up to six stories along Brooks Street.)
- A public plaza space at the corner of S. White Street and Elm Avenue.
- Primarily masonry façade for the building and brick screening for the parking deck.
- Interior courtyard adjacent to 343 S. White Street to maintain views for this property owner.

The Town seeks to connect the historic downtown with Renaissance Plaza and increase pedestrian activity along S. White Street, Elm Avenue, and Brooks Street. Accordingly, the Town desires an architectural design that preserves the historic feel that exists downtown. The proposed redevelopment of this Site complies with the historic preservation criteria of the Downtown Wake Forest Historic District, which requires any new development to respect the maximum height requirements of 3-stories along South White Street. Developers must consider a strategy that complies with the requirements of the district and promotes an urban storefront form as intended in the UDO.

ADDITIONAL CONSIDERATIONS

- The Town desires solicitation responses to discuss plans or ideas that activate the proposed retail space, specifically related to the anchor tenant to be located on the corner of S. White Street and Elm Avenue. Consistent with the Town’s vision of activating this important corridor, a potential strategy could include a food and beverage business.
- The Town requests for solicitation responses to describe the anticipated rental rates and affordability of the residential units.

DFI ensured the financial feasibility of the plan and integrated public participation to secure public interests as necessary.

The development program and conceptual site plans provided in this solicitation are not final designs or massings. Developers are encouraged to develop their own approach but should use the program and plan approved by the Commissioners on January 18, 2022 as a frame of reference for the type and scale of development that the Town desires. Developers are not required to work with JDavis Architects.

PROGRAM MIX AND RENTS

DFI’s market and site analysis has identified a potential program mix and rental rates; however, this program need not be followed in development responses, but rather should be viewed solely as one feasible approach that could be used.
The Project spans a full block on Elm Avenue, between S. White Street and Brooks Street. The mixed-use building should wrap a portion of the parking deck that is accessible on Brooks Street.

### PROGRAM MIX

<table>
<thead>
<tr>
<th>Gross SF</th>
<th>Units/Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>92,731</td>
</tr>
<tr>
<td>Amenities</td>
<td>1,250</td>
</tr>
<tr>
<td>Retail</td>
<td>13,504</td>
</tr>
<tr>
<td>Building Efficiency</td>
<td>79%</td>
</tr>
<tr>
<td>Total Gross SF</td>
<td>136,747</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>131,402</td>
</tr>
<tr>
<td>Public Use</td>
<td>189</td>
</tr>
</tbody>
</table>

### PROJECTED RENTS

<table>
<thead>
<tr>
<th>Units</th>
<th>Unit Size (avg SF)</th>
<th>Rent/SF (avg)</th>
<th>Monthly Rent/ Unit (Avg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-BR</td>
<td>74</td>
<td>796</td>
<td>$1.81</td>
</tr>
<tr>
<td>2-BR</td>
<td>36</td>
<td>1,135</td>
<td>$1.73</td>
</tr>
<tr>
<td>Retail</td>
<td>5</td>
<td>--</td>
<td>$27.00</td>
</tr>
</tbody>
</table>
Projected Costs and Returns

Based on market comparables, DFI estimates total development costs of this project at $33.7 million, including the parking deck. The estimated costs for the parking deck shown below include hard and soft costs. To account for unpredictable fluctuations in costs due to the current construction climate, the estimates below include a materials contingency of 1.5%, hard cost contingency of 6%, and soft cost contingency of 10%.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Acquisition Costs</td>
<td>$700,000</td>
</tr>
<tr>
<td>Total Hard Costs</td>
<td>$21,700,000</td>
</tr>
<tr>
<td>Total Soft Costs</td>
<td>$3,450,000</td>
</tr>
<tr>
<td>Developer Fee (Included in Soft Costs)</td>
<td>$960,000</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$25,850,000</td>
</tr>
<tr>
<td>Parking Deck</td>
<td>$7,700,000</td>
</tr>
<tr>
<td>Public Plaza</td>
<td>$135,000</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$7,835,000</td>
</tr>
</tbody>
</table>

PROJECTED RETURNS

Using the above program and assumptions, DFI has modeled the Project to determine financial feasibility and returns for the Developer and Equity Investor(s).

DFI estimates that the developer of this project can achieve market rate returns at a 16% internal rate of return (IRR) and a 6% Yield-on-Cost (YoC). Detailed versions of DFI’s financial assumptions and models can be requested by emailing Sonyia Turner, turner@sog.unc.edu.
Potential Public-Private Partnership

The Town expects to participate financially, as permitted by law, in order to secure its public interests in this development.

STRUCTURED PARKING

The Town is prepared to construct public parking on the Site to support the expansion of its downtown corridor. The Town is open to an agreement wherein the private development partner constructs the deck, subject to applicable laws governing public-private partnerships. Development partners seeking such participation by the Town should explain how such an arrangement would be advantageous to the Town. The Town is prepared to operate the deck and lease spaces to the development at a fair rate for parking spaces in downtown. The Town asks that development teams propose their parking requirements and lease amount and provide a market-based justification.

PUBLIC PLAZA

The Town intends to build a public plaza on the Site in alignment with its guiding public interests for this Project to serve as a gateway into downtown, and to incorporate engaging street-level uses that will encourage pedestrian activity in the area. An example of this public plaza is included in the site massing along Elm Avenue. Similar to the parking deck arrangement, the Town is prepared to coordinate the construction of the public plaza with the development partner.

The Town of Wake Forest may consider additional public participation options associated with this development. Any developer requesting public participation should include details within their proposal and explain how the arrangement addresses project feasibility and benefits the Town.
Evaluation Criteria & Selection Process

An evaluation of development firms responding to this solicitation will be undertaken to identify a potential development partner and plan that is viable, will best serve public interests, and can be completed in a reasonable time frame. DFI will collect and analyze responses, contact references, and coordinate interviews as necessary.

Responses will be evaluated using 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
- Ability to integrate additional considerations previously identified in the development program section of this document.

After reviewing of submitted proposals, DFI may seek clarification. Unless requested by DFI, no additional information may be submitted by development teams after the April 29, 2022, deadline. Following the Board’s selection of a development partner for exclusive negotiations, the Town will expect the selected partner to submit a proposed Memorandum of Understanding (MOU), and then following successful execution of an MOU, to lead negotiations for a final development agreement.
Submission Process

Development partner proposals are due at 5:00 p.m. EDT on April 29, 2022. Proposals must be submitted electronically in PDF format, and financials submitted in excel format, to Sonyia Turner at turner@sog.unc.edu and Lisa Hayes at lhayes@wakeforestnc.gov.

Proposals must be prepared in conformance with the guidelines described under “Submission Requirements.” The e-mail subject must be “Development Partner Proposal: Wake Forest 353 S. White Street.” 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 they 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 designate information that is already public.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to turner@sog.unc.edu. The e-mail subject must be “PROTECTED: Development Partner Proposal: Wake Forest 353 S. White Street.”

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 Sonyia Turner, Project Manager, DFI, at turner@sog.unc.edu and Lisa Hayes, Strategic Performance Manager, Town of Wake Forest, at lhayes@wakeforestnc.gov.
Submission Requirements

PROPOSAL

1. Development Plan – Propose
   a. Number of Residential Units; Average Size of Units; Mix of Units; Expected Rents
   b. Amount of Commercial SF; Expected Rents
   c. Expected residential amenities
   d. Estimate of parking spaces needed (separate commercial and residential estimates)
   e. Timing of Phases, if applicable

2. Preliminary Site Plan
   a. Building Massing
   b. Proposed access for multiple modes of transportation, including bikes, bus transit, ride-sharing services, etc.
   c. Public Plaza integration

3. Development and Financing Assumptions – Provide in excel format:
   a. Sources and Uses
   b. If public participation is anticipated, propose the public investment structure and amount and provide financial analysis to demonstrate why such participation is necessary.
   c. Required investor return hurdle rate (submit as confidential)
   d. If interested in developing the parking deck, propose a financing structure and development fee, and explain why the proposed arrangement would benefit the Town as compared to the Town constructing its deck independently.
   e. Acquisition Price – Propose price per acre

4. Earnest Money Deposit – Propose amount and terms

5. Timeline – Propose:
   a. Indicate whether proposed timeline under “Development Timeline” is feasible. If other, include proposed timing here. Indicate development team’s availability to undertake the Project and adhere to the timeline.

6. Description of retail anchor tenant selection process
QUALIFICATIONS

1. Letter of Introduction
   a. Include a summary of the respondent’s 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 of the entity.

2. Development Team
   a. Identification of partner firms and roles, including co-developers, architects/designers, and potential general contractor or subcontrators.
   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 Town and completing the remainder of the preconstruction approval process.

3. Minority and Women Business Enterprise (MWBE) Goals (Town Resolution 90-32)
   a. If available, lead developer’s MWBE policy
   b. If available, historical MWBE performance
   c. Proposed MWBE goals and strategy to achieve goals

4. Experience and References
   a. List of three 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. Total development budget by use
      vi. Capital stack, including governmental sources
      vii. Financing partners
      viii. List of current commercial tenants (indicating whether local and/or small business), if available
a. Most recent example, if any, of the development team’s experience executing public-private partnerships.
   i. Include all information requested above in section 4a.
   ii. Contact information for a representative of the primary public agency partner in the project

5. Disclosures 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”)
All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the Town of Wake Forest 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.

JDavis Architects conducted preliminary site analysis and drafted conceptual plans in preparation for this solicitation. JDavis is available for general consultation and discussion, and it has agreed to make this service available to all developer respondents on the same terms. JDavis 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 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 Board of Commissioners 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 and enter into public-private partnerships for development under North Carolina General Statute 158-7.1 and 160D-1315”, 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 performance by the Town or 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 (“DFI”) and its successors and assigns for pre-development services provided to the Town, and the Development Services Agreement shall provide that DFI is an intended third-party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1.0% (one percent) of the total projected costs of development of the Project as calculated by the Developer in the most recent versions(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 DFI no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to DFI may be developed as mutually agreed in writing by Developer and DFI; 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 DFI.”