

Town Center Core Demonstration Project

Solicitation for Development Partners

Morrisville, NC

Summer 2017



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dfi development
finance
initiative

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 visions to create a destination that will define the culture and community of Morrisville. They have acquired over 12 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 4-acre site for a mixed-use, residential and commercial project.

Town Center Core Vision

Morrisville's leadership, 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 1200 mid-rise residential units, multiple corridors of ground floor retail, small scale office spaces, a new branch of the Wake County Library system, the Morrisville Healthy Food Hub, including the Western Wake County Farmers Market pavilion and Morrisville Community Garden, a 45,000 SF Morrisville Community Center, and a Wetland Education Center 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.

First-Phase Project

The 4-acre project site is located on Town Hall Drive at the intersection of 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.

Program

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

- 206,000 GSF of residential consisting of 172 1,2, and 3-bedroom units (estimated cost \$26.1M)
- 20,250 GSF of commercial space (estimated cost \$2.8M)
- 131,250 GSF parking structure with 358 spaces (estimated cost \$7.6M)
- A total of 357,500 GSF costing an estimated \$36.5M

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

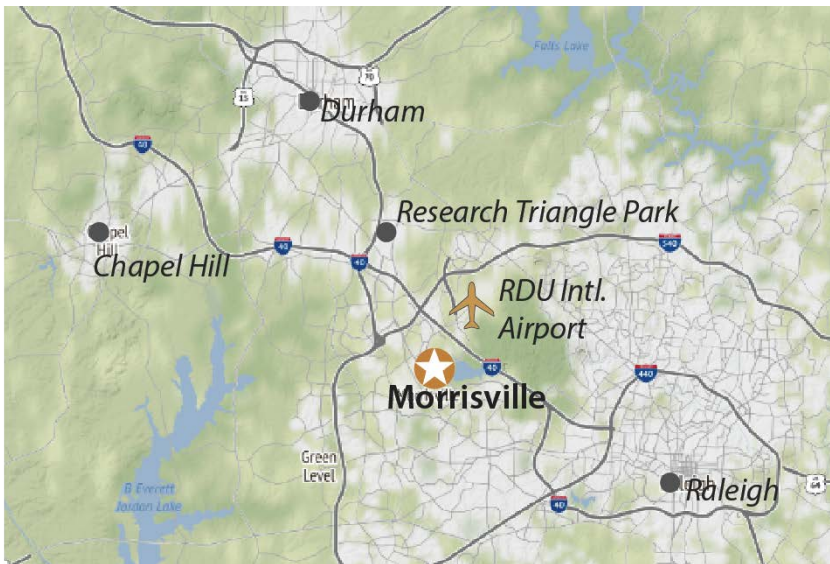
The Town will participate in the first-phase project in the following ways:

- Sell the land for the site at fair-market value
- Endorse the current program
- Build the infrastructure to facilitate the project (e.g. stormwater, roadways, utilities, sidewalks)
- Master lease the ground floor of parking
- Explore leasing options of retail and office space
- Build an adjacent public library with Wake County
- Facilitate options for future phases of the Town Center

Introduction

The Town of Morrisville is located in the Research Triangle region of North Carolina. Morrisville features an economy based on highly skilled professional and technology industries, and a population that is diverse, affluent, and highly educated. Located along the I-40 Corridor and just 10 minutes from the Raleigh-Durham International Airport, the future Morrisville Town Center Core is strategically situated to capture a significant amount of the economic and residential growth of the region.

The Development Finance Initiative (DFI) has conducted a feasibility assessment on behalf of the Town of Morrisville for a 4-acre site as part of the Morrisville Town Center Core. Little Diversified Architectural Consulting, performed the site analysis and developed, in conjunction with DFI and the Town of Morrisville, the program and site plan for the site. This



project is the first phase of the eventual Town Center Core of Morrisville.

Town Center Core Vision

The Town Center Core Vision, endorsed by Morrisville Town Council in the winter of 2016, features approximately 1200 residential units, 200k SF of commercial space, a branch of the Wake County library, a Town of Morrisville Community Center and several other public facilities and open spaces designed to establish a vibrant, walkable environment to anchor the Town of Morrisville.

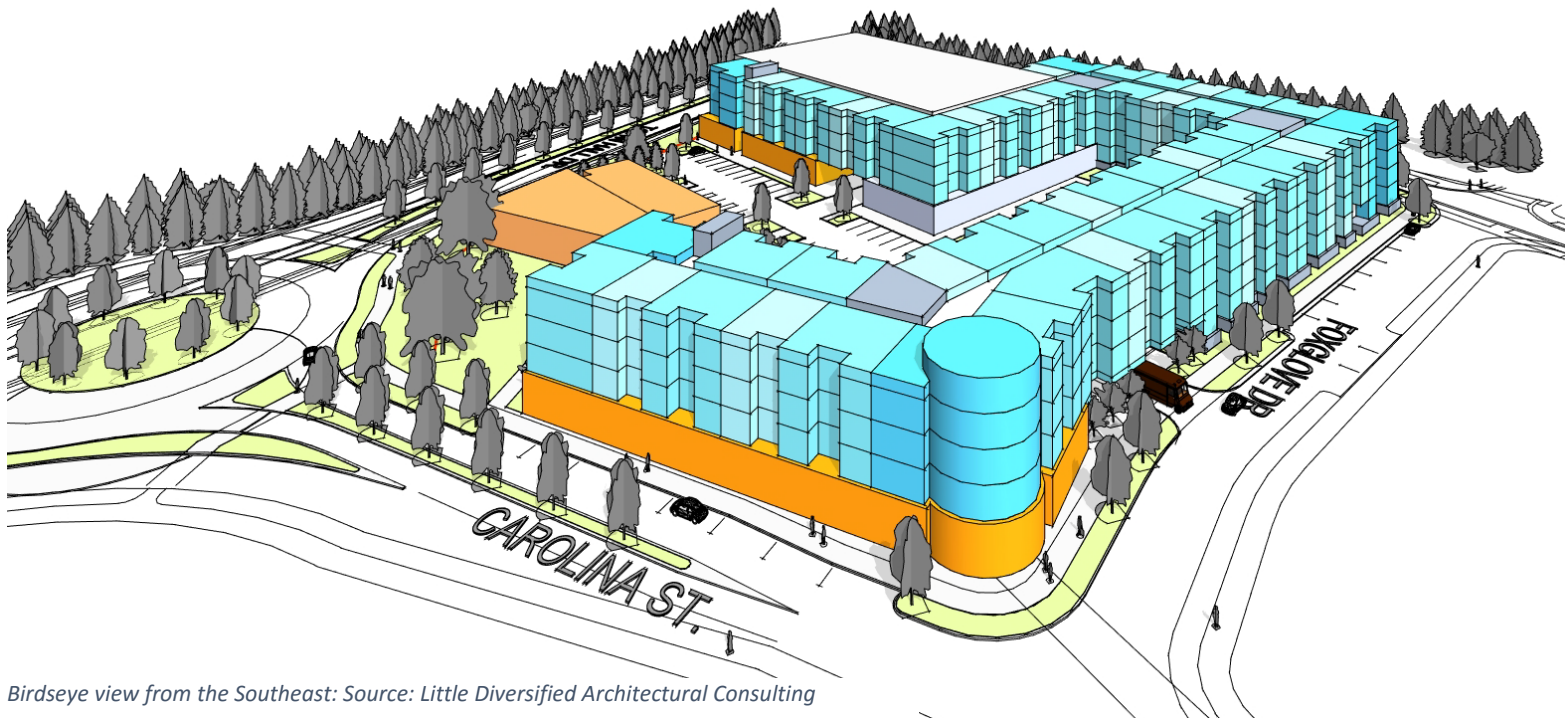
As part of the Town Center Core visioning process, the Town Council of Morrisville established a set of Guiding Public Interests for the Town Center Core.

The Guiding Public Interests for the Town of Morrisville are:

- *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.*

The proposed first phase of the Town Center Core is a 4-story mixed-use project composed of commercial, residential, and structured parking on the block between Jeremiah Street and Carolina Street on Town Hall Drive. The Town Council has supported a proposed program for this first phase that consists of 172 residential units, 20,250 square feet of commercial space, and a 358-space parking structure. Prospective developers may present variations of this plan and program with a few requirements (as described in the Development Program section). A public library and surface parking will be constructed by Wake County separately and concurrently. The library project is outside of the scope of this solicitation; however, the projects are located within the same block and will require coordination during development.

The Town has agreed to provide infrastructure improvements, including stormwater infrastructure and roadway improvements. PSNC is relocating a gas line main that runs through the site. To facilitate this development, the Town has engaged WithersRavenel Civil and Environmental Engineering firm to evaluate the stormwater management and Kimley-Horn Associates in the design and engineering of Foxglove Drive, Carolina Street and the Town Hall Drive roundabout. The infrastructure improvements are planned to begin in fall of 2017.

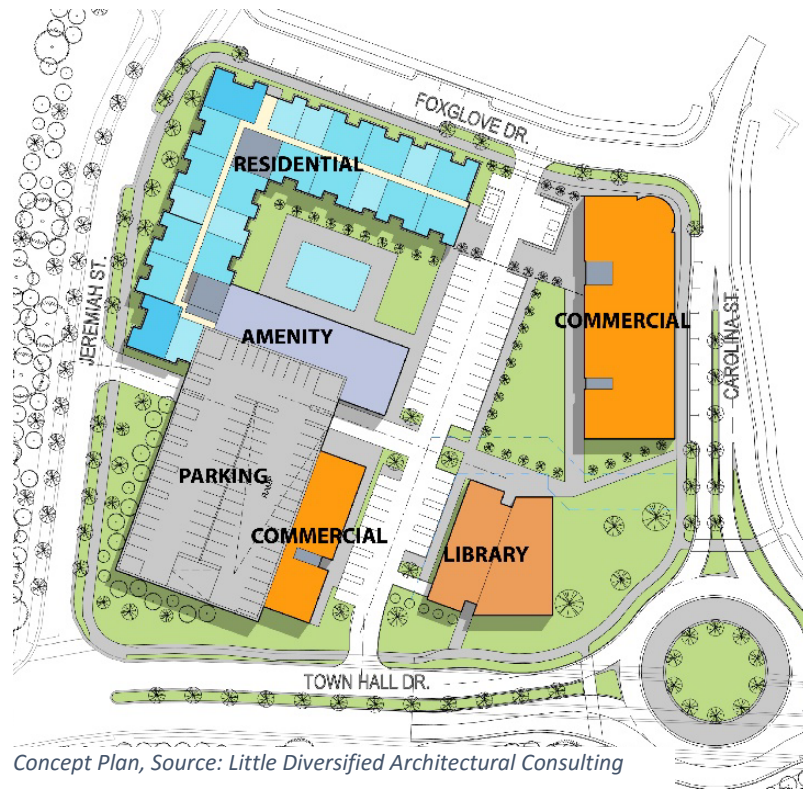


Morrisville NC: Town Center Core Demonstration Project

Town Center Core Demonstration Project

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

The proposed project, as mentioned above in the Introduction, is viewed as the first phase of the Town Center Core Development. In total, this project consists of 172 residential units over 206,000 GSF (including indoor amenity space), 20,250 SF of commercial space on the ground floor, and a 358-space parking structure.



The Morrisville branch Wake County public library will be located on the same block and will be constructed by Wake County with an expected substantial completion date of June 1, 2019. The Wake County Library project is outside of the scope of this project; however, coordination will need to occur during construction.

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 locations and terms for commercial space within the project. Specific needs have yet to 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 the public-private partnership that clearly indicates the roles and responsibilities of the private developer, DFI, 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.

About This Solicitation

This document is an invitation for interested development teams to present development concepts for review and consideration by the Town's development consultant, DFI, which will assist development teams with understanding and responding to the Town's requirements for the development of the Morrisville Town Center Core Demonstration Project. DFI and Morrisville Town staff will review all proposals and will present Morrisville Town Council with the evaluations of the proposals. Town Council will select a development partner with which to enter exclusive negotiations of a developer services agreement pursuant to North Carolina General Statutes 143-128.1C, 160A-458.3, 158-7.1, or Part 3D of Article 19 of G.S. Chapter 160A.



Rendering of Demonstration Project from Town Hall Drive, Source: Little Diversified Architectural Consulting

Market Overview

The Town of Morrisville is located in the heart of the Triangle. Like many other residential markets in The Triangle, Morrisville has experienced significant growth in recent years. With an estimated growth of 15% in residents and households over the next 5 years, The Town of Morrisville primary residential market is showing faster growth than surrounding small town core areas as well. (See table on next page for comparison)

This increase in residents and households is paired with a median household income growth of 10% over the same time. A recent [report conducted by Niche](#), a city ranking website, named Morrisville the best place to live in North Carolina because of its quality of public schools, job availability and population diversity. A [report by financial website 24/7](#) conducted in 2016 identified Morrisville as the wealthiest town under 25,000 population in North Carolina with a median household income of \$84,301.

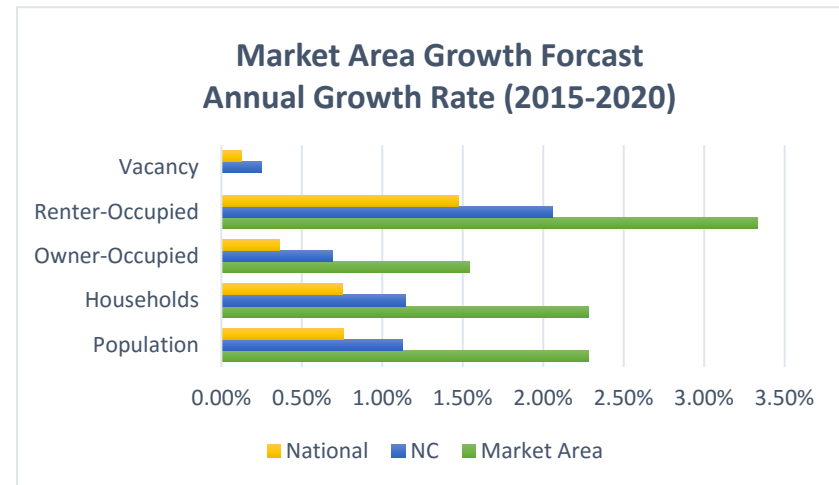
Use	Trade Area	Projected Demand (2020)
Residential	25-minute drive-time	21,000 Units*
Retail	7-minute drive-time	320,000 SF
Office	27560 Zip Code	52,000 – 67,000 SF

Source: Town of Morrisville, Town of Cary, Town of Apex, Town of Holly Springs
 * Household Growth projection- ESRI Business Analyst

Residential

The Triangle region of North Carolina has experienced growth in nearly all population sectors; however, the 18-34 and 55+ segments are growing the strongest. There is a significant under-supply of multi-family residential with an even demand for owner-occupied and renter occupied products.

Unit demand is outpacing the supply pipeline and most supply coming online in Morrisville is single-family even though growth forecast of renter-occupied properties is higher. This gap provides an attractive investment opportunity in an area showing strong rent growth, low vacancy, growing income, and a growing population.



Source: Esri Business Analyst

Retail

Current analysis suggests a lack of supply of town center compatible retail within a 7-minute drive time of the Town Center Core. This trade area is home to over 40,000 residents, which is significantly denser than some of the other similarly sized towns in this region of the state. This area currently demands approximately 280,000 SF more commercial space suggesting the high concentration of residential units meet their retail needs outside of the trade area. From 2015-2020 another 40,000 SF of town center compatible retail will be demanded in the 7-minute drive time radius. A significant area that is not being met within the town center compatible retail is food and drinking establishments. Approximately 90,000 SF of this retail leakage falls into the dining sector. The 7-minute drive time overlaps only slightly with the 7-minute drive radius of Cary, NC. The Morrisville trade area includes over 40,000 residents that are spending \$93 million elsewhere.

Office

The trade area of the 27560 zip code shows strong demand for small businesses (20 employees or less). Most of these small businesses are professional services businesses that desire a storefront presence in an urban area. Professional and technical services represent 60% of the office demand in the area, fitting in nicely with the commercial strategy for a town center core environment. The office growth for the trade area is estimated to need an additional 52,000-67,000 SF by 2020. 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.

Morrisville's overall core area growth is very strong when compared to other Triangle communities. With an average population growth of over 3% in the core area of Morrisville, it outpaces most other neighboring towns and cities in concentrated growth, showing strong demand for higher-density development.

Town Name	Primary Market Population 2015 (7-minute drive from center of town)	Annual Pop. Growth
Morrisville	40,442	3.1%
Apex	37,131	2.8%
Fuquay-Varina	22,656	3.0%
Cary	55,860	1.6%

Source: Esri Business Analyst

Development Site

The 4-acre project site is located on Town Hall Drive at the intersection of Jeremiah Street. The Town of Morrisville has agreed to provide infrastructure improvements, including stormwater and gas line relocations. The Town is extending Foxglove Drive to Carolina Street and extending Carolina Street to Town Hall Drive. A traffic circle at Carolina Street and Town Hall Drive will also be constructed. This new block will share a newly-constructed 8,500 SF Library (by Wake County, outside of the scope of this project). The site is across Town Hall Drive from the Indian Creek Greenway and blocks from Town Hall and the Morrisville Healthy Food Hub, which will house the Western Wake Farmer's Market and Morrisville Community Garden.

Based on the conceptual design by Little Diversified Architectural Consulting the site plan is diagrammed into four



Source: Google Earth Pro

distinct uses in each quadrant of the site, however, there is significant overlap in the uses within the quadrants.

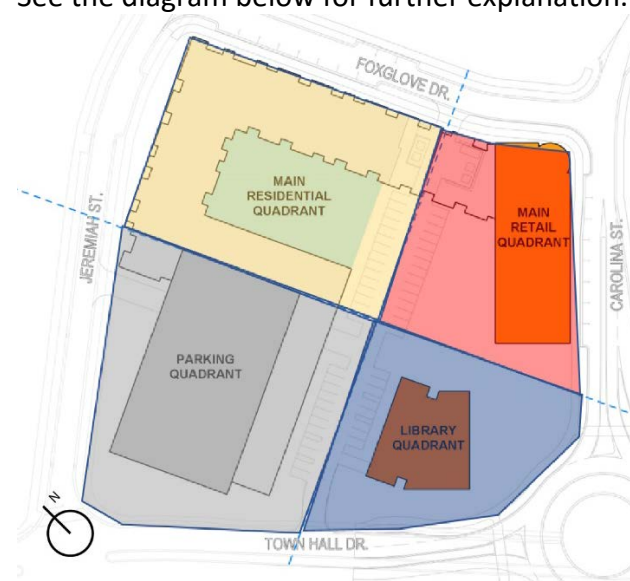
The northern quadrant of the project site is the main residential quadrant, featuring residential units, indoor and outdoor amenity space (exclusive to residential tenants). Floors 2-4 will feature residential units exclusively.

The eastern will be the main retail quadrant. The ground floor will contain street-front retail along Carolina Street. Floors 2-4 will contain residential units that connect with the main residential corridor.

The western quadrant will feature 5 levels of structured parking. The top 4 floors of the parking deck will meet the demands of the residential tenants while the first floor will be master leased to the Town of Morrisville.

The 4th quadrant in the south of the site will contain the 8,500SF Wake County Library.

See the diagram below for further explanation.

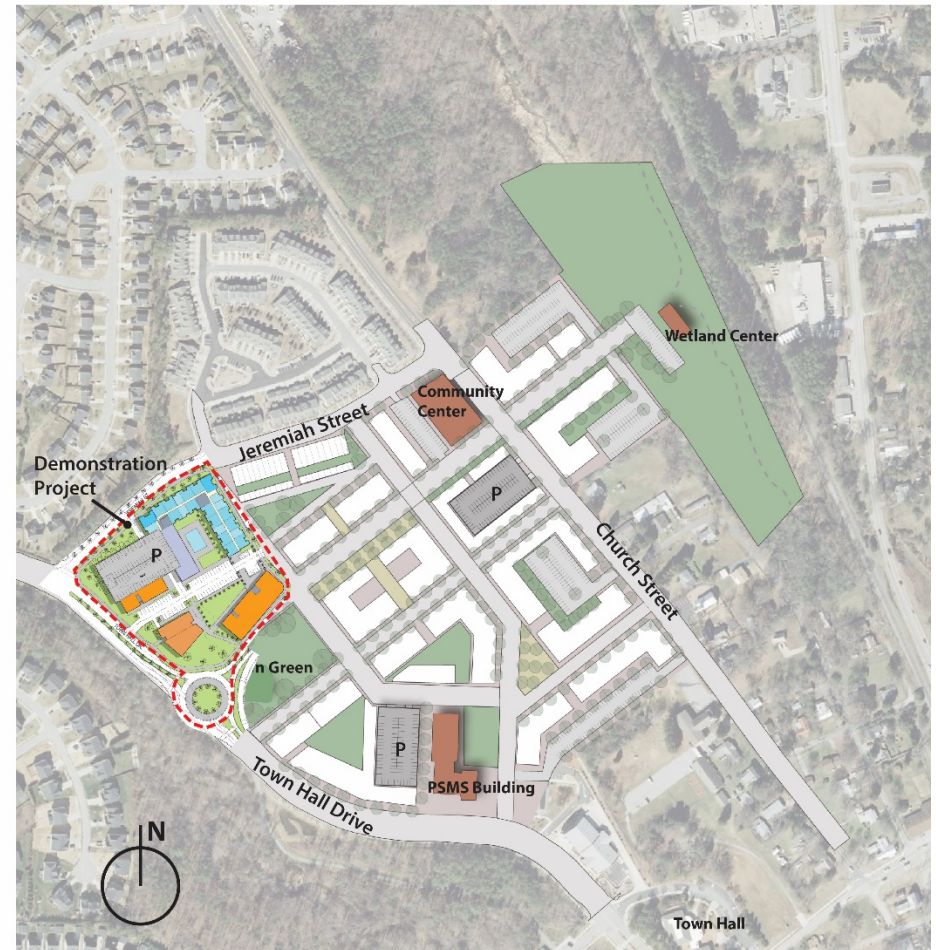


Town Center Core Vision

Morrisville's leadership, recognizing the need to establish a central town center core to serve the growing population, adopted the Morrisville Town Center Plan. This 10-year, multi-phase plan includes over 1200 mid-rise residential units, multiple corridors of ground floor retail, small-scale office spaces, a new branch of the Wake County Library system, a Western Wake County Farmers Market pavilion, a 45,000 SF Morrisville Community Center, and a Wetland Education Center 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.

The Town is committed to realizing the full potential buildout of the Town Center Core Vision and is willing to entertain, as part of this development proposal, purchase options for other public owned parcels for future Town Center Core development phases. See property ownership map in the appendix of this document detailing the parcels that the Town of Morrisville currently owns.

MORRISVILLE TOWN CENTER CORE PLAN



Morrisville NC: Town Center Core Demonstration Project

Project Development

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 buildout the vision for the Town Center Core.

Predevelopment Work Completed to Date

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. 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/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.

- **Public Investment:** identifying forms of public participation to make the investments viable and serve public interests

Estimated Project Development Timeline

RFP Questions due to Town	September 29, 2017
Town Posting responses to questions	October 10, 2017
Development Partner Proposals Due	November 30, 2017
Council Selection of Partner	January 9, 2018
Memorandum of Understanding	February 26, 2018
Development Agreement	May 28, 2018
Final Design	December 2018
Construction to Begin	Q2 2019

Development Program

DFI and the Town worked through multiple iterations of the project with Little Diversified Architectural Consulting to arrive at a development program that captures the highest and best use of the project site, while achieving the desired Town Center Core vision. The project includes the establishment of commercial activity adjacent to the library along Carolina Street with a mix of residential units and a structured parking deck.

The development program and conceptual site plan included in this solicitation are by no means the final program or design for this site. The Town of Morrisville would like to ensure that interested development teams understand flexibility in the program, density and site design exists. However, several design elements are required. Those requirements include the library location at the intersection of Town Hall Drive and Carolina Street, the private developer will coordinate on the library's parking needs and a private project anchored by multi-family residential.

Town Staff and Council have identified their preference for commercial space along Carolina Street, a parking deck be screened in a low-visual impact manner. The Town also prefers the developer to use the proposed 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 site features minimal topographic challenges and relatively easy vehicular accessibility and visibility upon completion of the infrastructure improvements. The conceptual plans within this solicitation were developed by Little Diversified Architectural

Consulting. Larger images of the development can be found in the Appendix.

	<i>Gross SF</i>	<i>Leasable SF</i>	<i>Units/Spaces</i>
<i>Residential</i>	206,000	173,000	172
<i>Retail</i>	20,250	20,250	-
<i>Parking</i>	131,250	131,250	358
<i>Total</i>	357,500	324,500	

Unit Mix and Rents

Rents will be determined by the owner and manager of the project; however, DFI has conducted market studies and comparable properties analyses that support the following pro forma residential rents for the project:

	<i>Units</i>	<i>Unit Size (Avg.)</i>	<i>Rent/SF (Avg.)</i>	<i>Monthly Rent (Avg.)</i>
<i>1 Bedroom</i>	50	725 SF	\$1.67	\$1,211
<i>2 Bedroom</i>	105	1,075 SF	\$1.43	\$1,536
<i>3 Bedroom</i>	17	1,406 SF	\$1.24	\$1,750
<i>Total</i>	172	1,005 SF	\$1.46	\$1,467

The annual retail/office rents of \$18 PSF are supported by the market.

Library Coordination

Morrisville NC: Town Center Core Demonstration Project

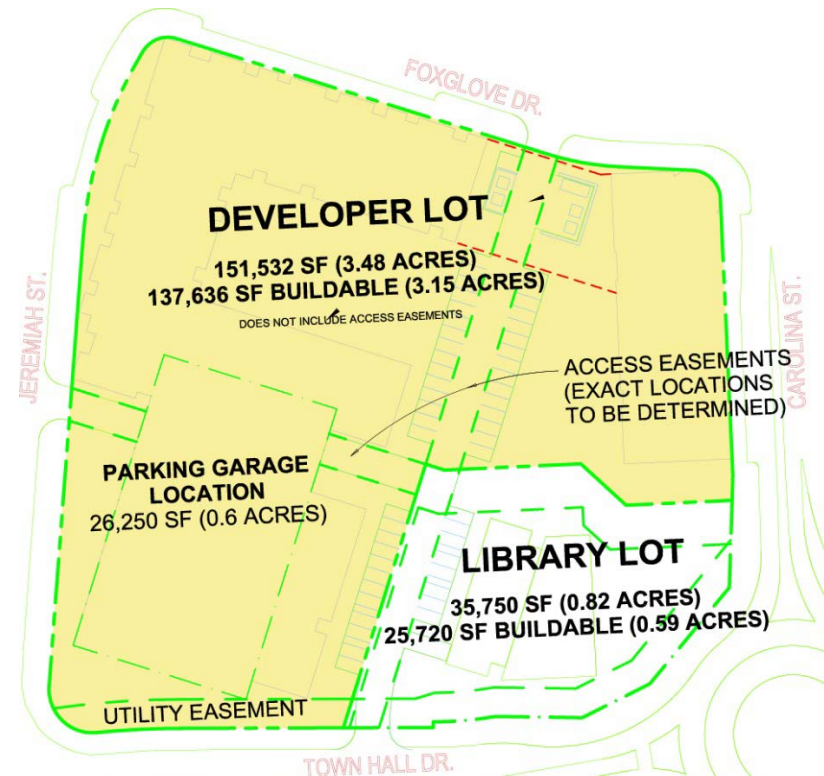
The Town of Morrisville and Wake County have identified the intersection of Town Hall Drive and the future Carolina Street Extension as the location for the future Morrisville Branch of the Wake County library system. This 8,500 SF facility will incorporate street frontage along Carolina Street and Town Hall Drive and accommodate 65 parking spaces (surface spaces internal to the site as well as street spaces on Carolina Street extension and Foxglove Drive extension)

The mixed-use development program and site layout will need to consider the Wake County's library's needs in the design. Wake County is engaging in design of the library site in the Fall of 2017 and expected construction for the library is slated to begin in Q3 of 2018 with substantial completion at the end of May 2019.



Leesville Community Library. Source: huffmanarch.com

Little Diversified Architectural Consulting is the contracted firm to design the library. 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 will face out to the intersection of Carolina Street and Town Hall Drive with parking accessed from Town Hall Drive. Coordination between the developer and the Town of Morrisville to accommodate the parking needs for the library will be essential to the success of the project. The layout below demarcates the set boundary for the library development and the current roadway alignment and infrastructure developed by the Town. A larger more detailed image is located in the appendix.



Boundary delineation for project

Project Costs and Returns

DFI estimates total development costs of this project at nearly \$37.2 million, including acquisition, parking deck, and a 4% developer fee. The parking deck figure below includes hard and soft costs.

Acquisition:	\$	760,000
Total Residential Costs:	\$	26,050,000
Total Retail Costs:	\$	2,835,000
Parking Deck:	\$	7,557,000
Total Costs:	\$	37,202,000

Projected Returns

Using the above program and rent numbers, DFI has modelled 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.

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 a long-term lease of a set number of parking spaces in the parking deck for commercial and public uses at a reasonable rate, to be negotiated. The Town is prepared to initiate the necessary Unified Development Ordinance (UDO) amendments to support this project.



Source: Little Diversified Architectural Consulting

Public Participation

Submission Requirements

Developers shall organize their proposals in the format described below. Please submit the requested information in appropriate detail to allow adequate review and evaluation of qualifications and plans. For confidentiality purposes, please send any financial information your team would like to remain confidential under a separate cover (see below Submission Procedures).

1. Letter of Introduction

Include a summary of the respondent's basic qualifications, experience, and reasons for interest in this opportunity. The letter should be signed by a principal or authorized officer for the entity.

2. Proposal

Program for site, including the mix and scale of uses, as follows:

- Residential (number of units, average unit site, total gross square footage, tenancy [rental vs. ownership], amenity package)
- Retail (total gross square footage, target tenancy by square footage)
- Parking (number of public spaces and number of private spaces)
- Other proposed use

Design:

- Site Plans
 1. Overall rendered site plan
- Illustrative Sketches, perspective images
 1. As if standing at the Traffic Circle and looking north at the development

2. At Intersection of Foxglove Drive and Carolina Street extension looking towards library site
- Summary of material choices for exterior skin of development
 - Design Requirements
 1. Library must maintain its location within marked boundary on site plan
 2. Parking needs for library must be met within 4-acre block and on streets surrounding site
 3. Multi-family residential is the anchor private use
 - Design Preferences
 1. Commercial space located along Carolina Street
 2. Visual screening of the parking deck
 3. Foxglove Drive extension's current location as designed by Town
 - Design Flexibility
 1. Density and scale of proposed development
 2. Location of parking deck within site
 3. Foxglove Drive alignment, with expectation that Developer covers the cost impacts of redesign for Town.

Technical Drawings:

- Ground floor plan, including entries into parking garage, Jeremiah Street, Carolina Street and Town Hall Drive and orientation of outdoor amenity space
- Upper floors floor plan

If you would like to work with Little Diversified Architectural Consulting, or discuss in further detail the site planning and analysis, please contact Eric Thomas, ethomas@sog.unc.edu and Julie McLaurin at Julie.mclaurin@littleonline.com.

Development Assumptions

- Offer price for land
- Total development costs for project, by use
- Expected rents for residential, retail, and other private uses
- Proposed terms of parking lease to Town
- Proposed terms of commercial space lease to Town, if desired.
- Proposed terms of option to purchase for other Town-owned development sites within the Town Center, if desired.

Financing Assumptions:

- Expected amounts and sources of debt and equity
- Identification of lead development company, including name, address, e-mail, and telephone number.

Development Timeline:

- Projected timeline from the Development Agreement to substantial completion of the project

3. Development Team

- Identification of partner firms and roles, including co-developers, architects/designers, and general contractor.
- Overview for 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.
- Identification and resumes of lead staff (principal and project manager) that will be responsible for negotiating a development agreement with the Town

and completing the remainder of the preconstruction approval process. Describe the current workload of these lead staff in terms of location and status of projects.

- Description of key staff from partner firms, including proposed role and prior experience with similar projects.

4. Experience and References

- Provide relevant development experience, particularly in developing mixed-use projects with public participation. Provide information on at least three projects and no more than five. Each comparable development should detail the following information listed below:
- Location and name of project
- Scope and scale of development program (including residential uses, commercial uses, public uses, and infrastructure improvements, if applicable)
- Photos/illustrations of completed project
- Total development budget by use
- Amounts and sources of debt and equity funds used to finance the project, including governmental sources. Please provide a point of contact for each capital provider for the project.
- Contact information for a representative of the primary public agency partner in the project
- Developer's role in and ownership for each project (e.g., fee developer, equity investor, and/or property manager)

5. Financial Capacity

Provide evidence of sufficient financial strength to undertake and successfully complete a project of this scale. Please also identify any projects/financing on which the team collectively or individually has defaulted

6. Disclosures

- Disclosure of any potential conflicts of interest that could be relevant to this project in any manner
- 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
- Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body without good cause
- 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
- Disclosure of whether any officer, director, or owner is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state, or agency of the federal government

Evaluation Criteria

The evaluation of developers responding to this solicitation will be undertaken in order to select a partner and plan that is viable, will best serve public interests, and can be completed in a reasonable timeframe. The evaluation committee from the Town of Morrisville staff and DFI will collectively evaluate the submissions and provide a summary of the responses with Town Staff recommendations to Council at a public meeting in January of 2018. Council will select their preferred partner at that meeting or at the next Town Council meeting to begin exclusive negotiations of a development services agreement.

The following criteria will be used when evaluating the proposals:

- Qualifications and experience of the development team, with preference given for experience with mixed-use development (specifically the mix of uses in respondent's plan for the site) and public-private partnerships
- Quality of the proposed concept design to accommodate the required design elements of this solicitation as well as their ability to accommodate the Town's preferred design elements
- Quality of the project to align with the public interests of the Town Center Core (see Introduction section for full list of Public Interests)
- Demonstrated ability to secure funding to execute a project of similar scale and complexity in a reasonable timeframe
- Financial benefits to Town from the proposed project
- Structure and terms of proposed public participation (ability to minimize the public investment in this project)
- Demonstration of capacity to execute the proposed project in a reasonable timeframe

Submission Process and Timeline

Development Partner proposals are due at 5:00 p.m. EDT on November 30, 2017. Proposals should be submitted electronically in PDF format to ethomas@sog.unc.edu and Todd Wright, Assistant Town Manager, Town of Morrisville, at twright@townofmorrisville.org. Proposals may also be submitted via Dropbox through the Town's Purchasing & Contracts—Bid and Proposal Opportunities website at <https://nc-morrisville.civicplus.com/index.aspx?nid=665>).

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.

A pre-submittal deadline date for the emailing of questions regarding the solicitation/proposal process is set for September 29, 2017. Please send any questions to ethomas@sog.unc.edu and twright@townofmorrisville.org by the end of business on the 29th. Responses to the questions will be posted on the Town website with the solicitation by the close of business on October 10th, 2017.

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."

Submission Procedure

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 Todd Wright, Assistant Town Manager, Town of Morrisville, at twright@townofmorrisville.org

Selection Process

DFI along with the Town Staff Review Committee will analyze responses, contact references, and coordinate interviews as necessary. After a review of submitted proposals, clarifications may be requested. Unless requested by DFI, no additional information may be submitted by developers after the November 30, 2017 deadline. DFI and the Town Review Committee will provide summaries of those proposals to Town Council. Town Staff will deliver their recommendation for a preferred partner; Town Council will select the partner for exclusive negotiations. Once the Council votes on a

development partner, DFI will advise the Town in the negotiation of a formal development agreement.

Selection Timeline

Development Partner Proposals Due	November 30, 2017
Private Development Partner Chosen	January 9, 2018
Development Agreement Executed	May 2018
Site Plan Review and Permitting	Winter 2018
Construction to Begin	Q2 2019

Disclaimers

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 at 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 approval by the Morrisville Town Council. 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.

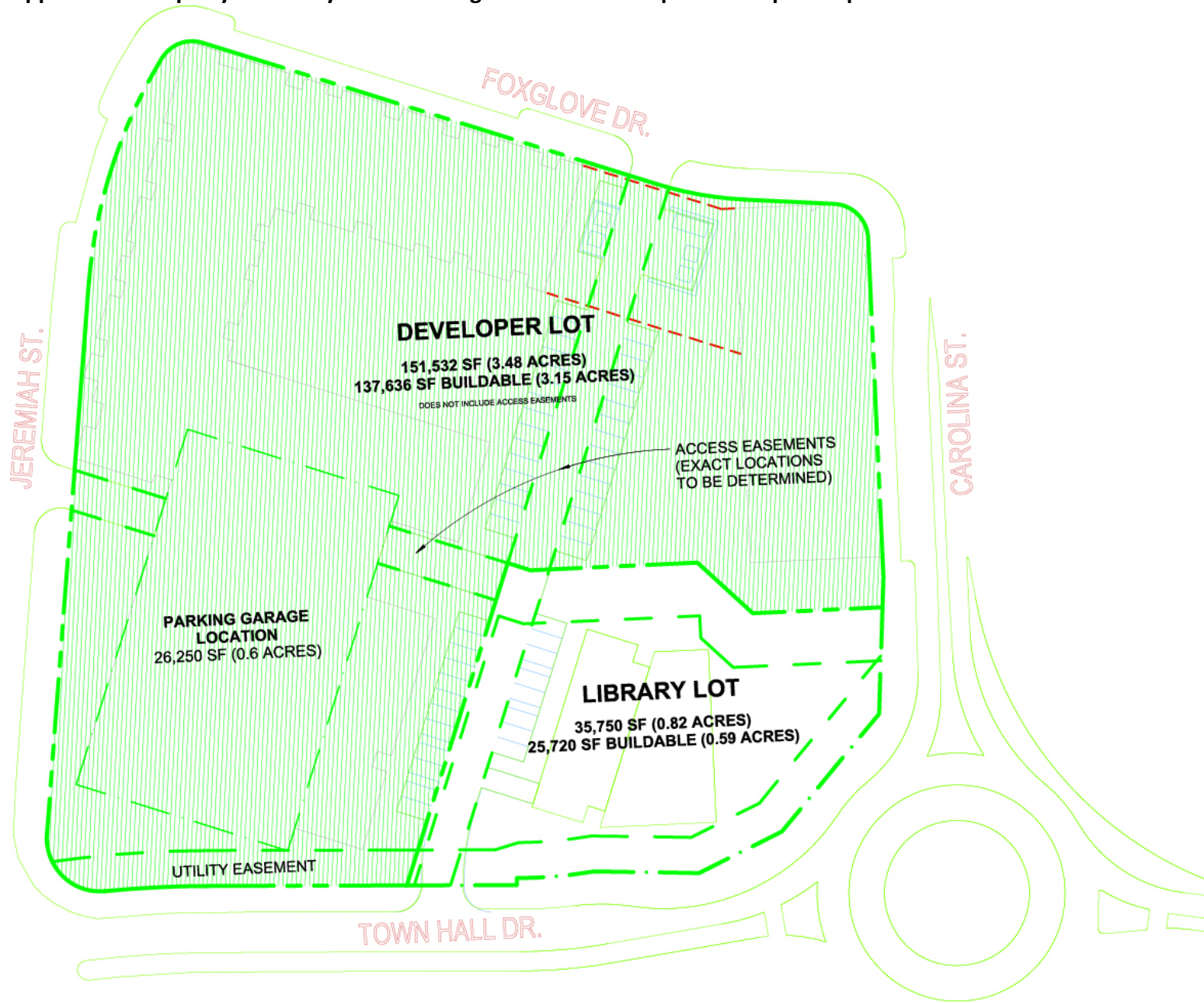
The Town reserves the right to waive irregularities or informalities in any submittal in the exercise of its sole and absolute discretion.

Appendix A: Contingent Fee Payment

The conveyance or lease of the property described herein (the “Property”) to the successful bidder 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 predevelopment 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 1.5% 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

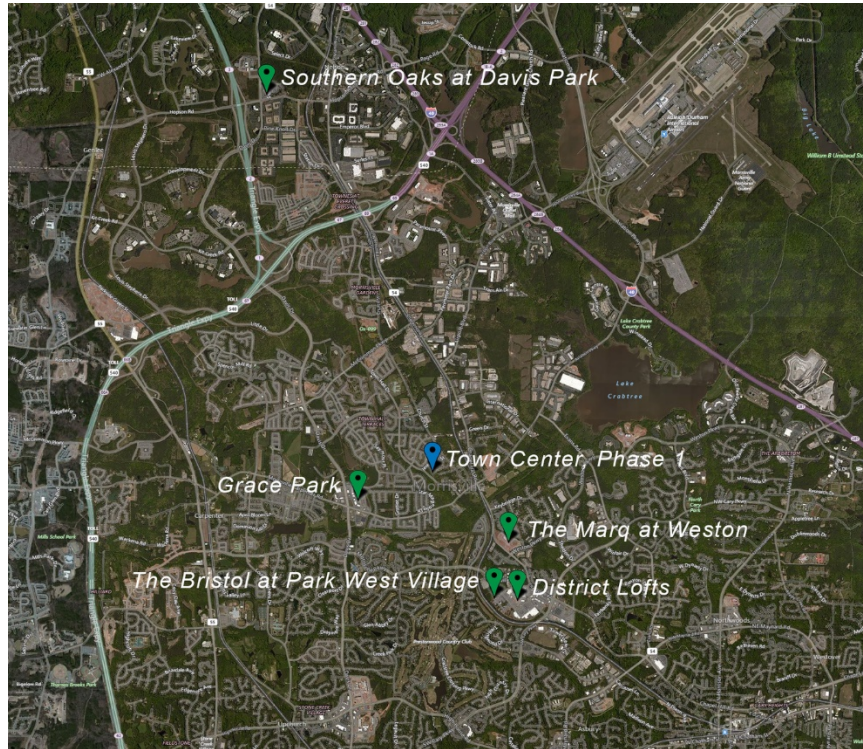
lenders and/or investors prior to the execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of 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: Property Boundary and Road alignment- CAD files provided upon request



Appendix C: Residential Comps

Property Type	Project Name	Distance from TownHall (miles)	Year Built	Total Units	Occupancy Rate	1 bed count	1 Bed A SF	1 Bed Rent	2 bed Count	2 Bed A SF	2 Bed Rent	3 Bed a SF	3 bed Rent	1 Bed PSF Rent	Average PSF rent
Apartment Complex	The Marq at Weston	0.9	2016	302	92.7%	-	693	\$1,231	-	1,388	\$2,044	1,510	\$2,186	\$1.77	\$1.47
Apartment Complex	District Lofts	1.6	2015	118	99.2%	77	835	\$1,293	41	1,306	\$1,913	n/a	n/a	\$1.54	\$1.51
Apartment Complex	Southern Oaks at Davis Park	4.8	2007	287	94.1%	-	701	\$950	-	1,073	\$1,170	1,355	\$1,470	\$1.36	\$1.20
Apartment Complex	Grace Park Apartments	1.5	2008	128	94.5%		850	\$1,079		1,136	\$1,375	1,631	\$1,707	\$1.27	\$1.22

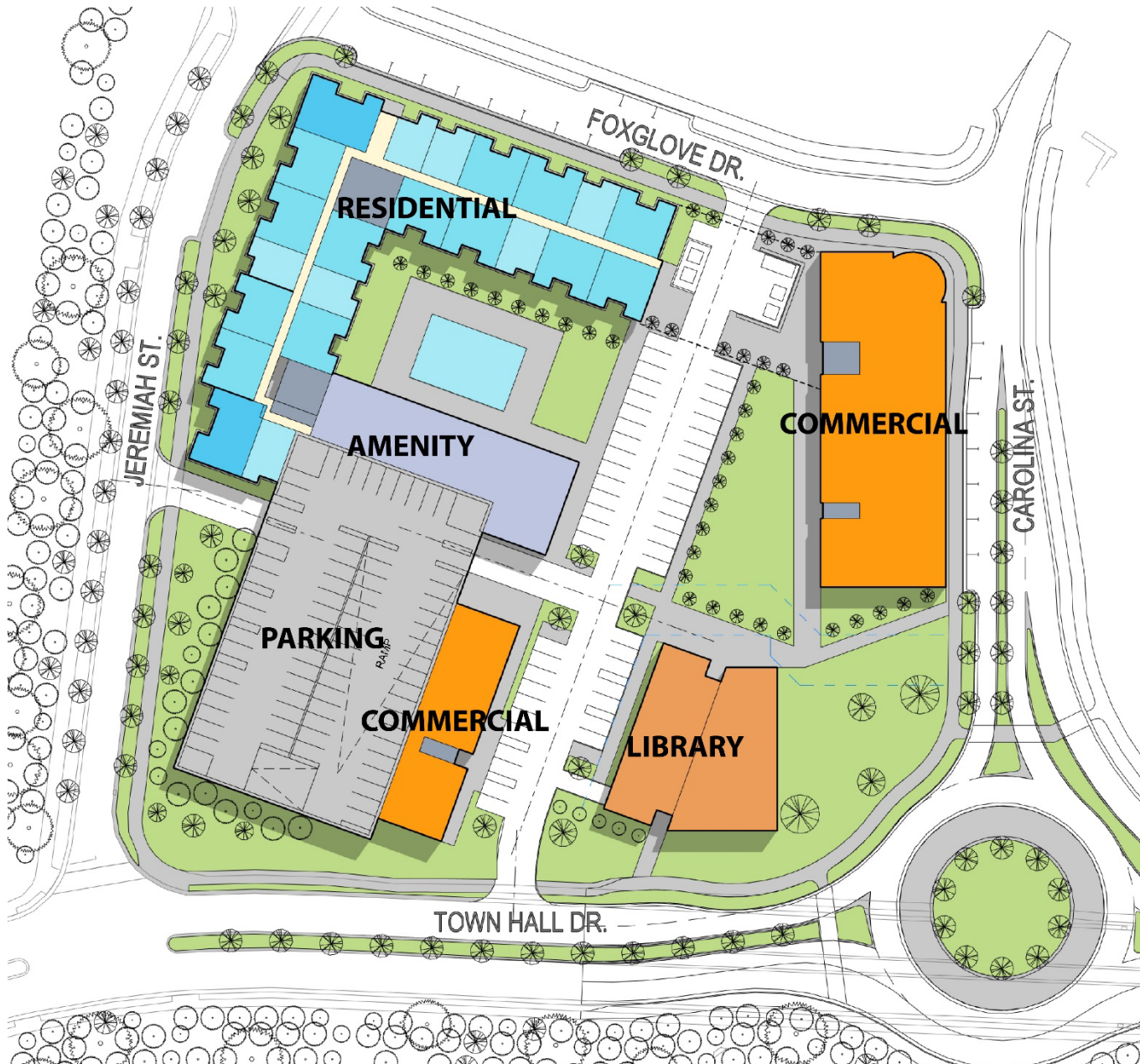


Residential Comparable locations, Source: Google Maps

Appendix D: Public Property Ownership Map (CAD files and GIS shapefiles are available upon request)



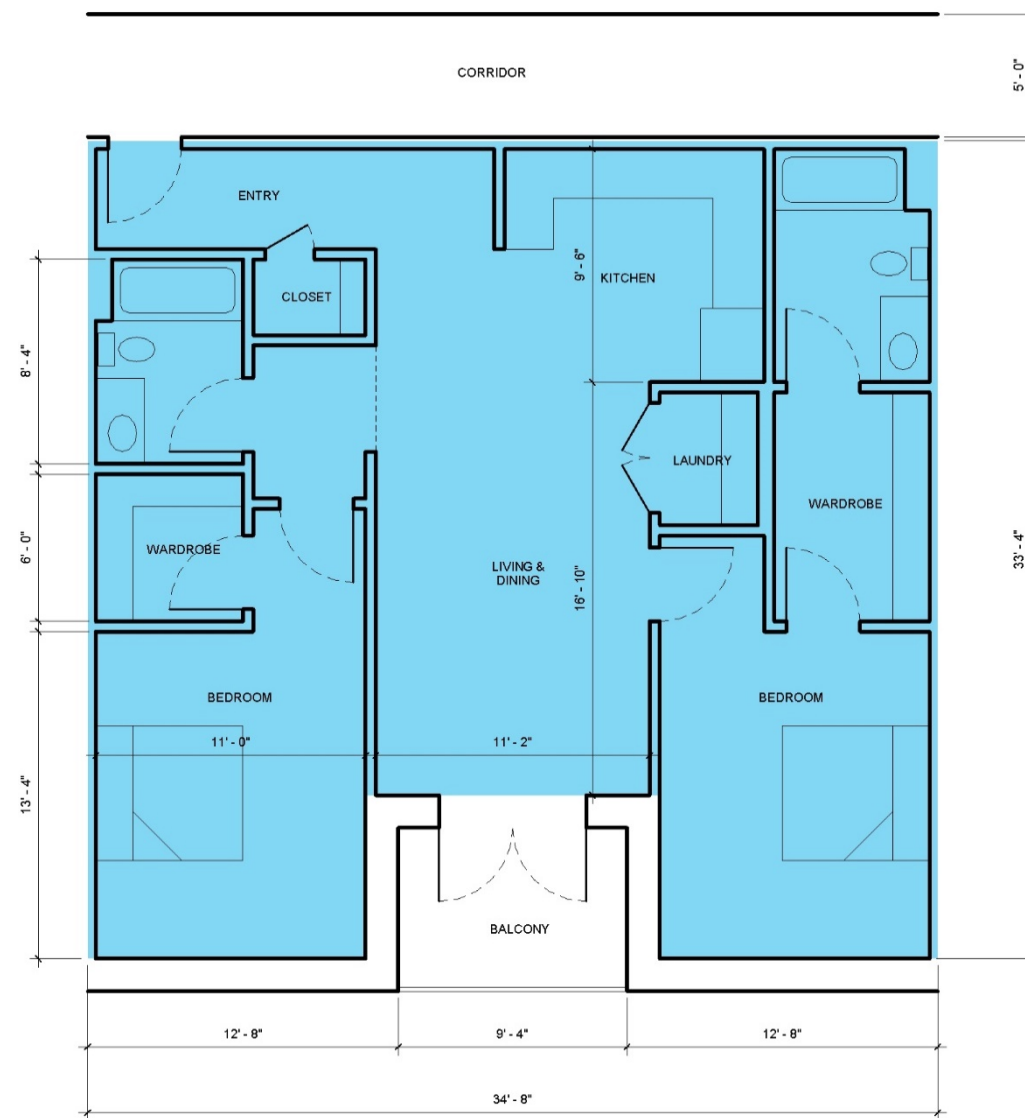
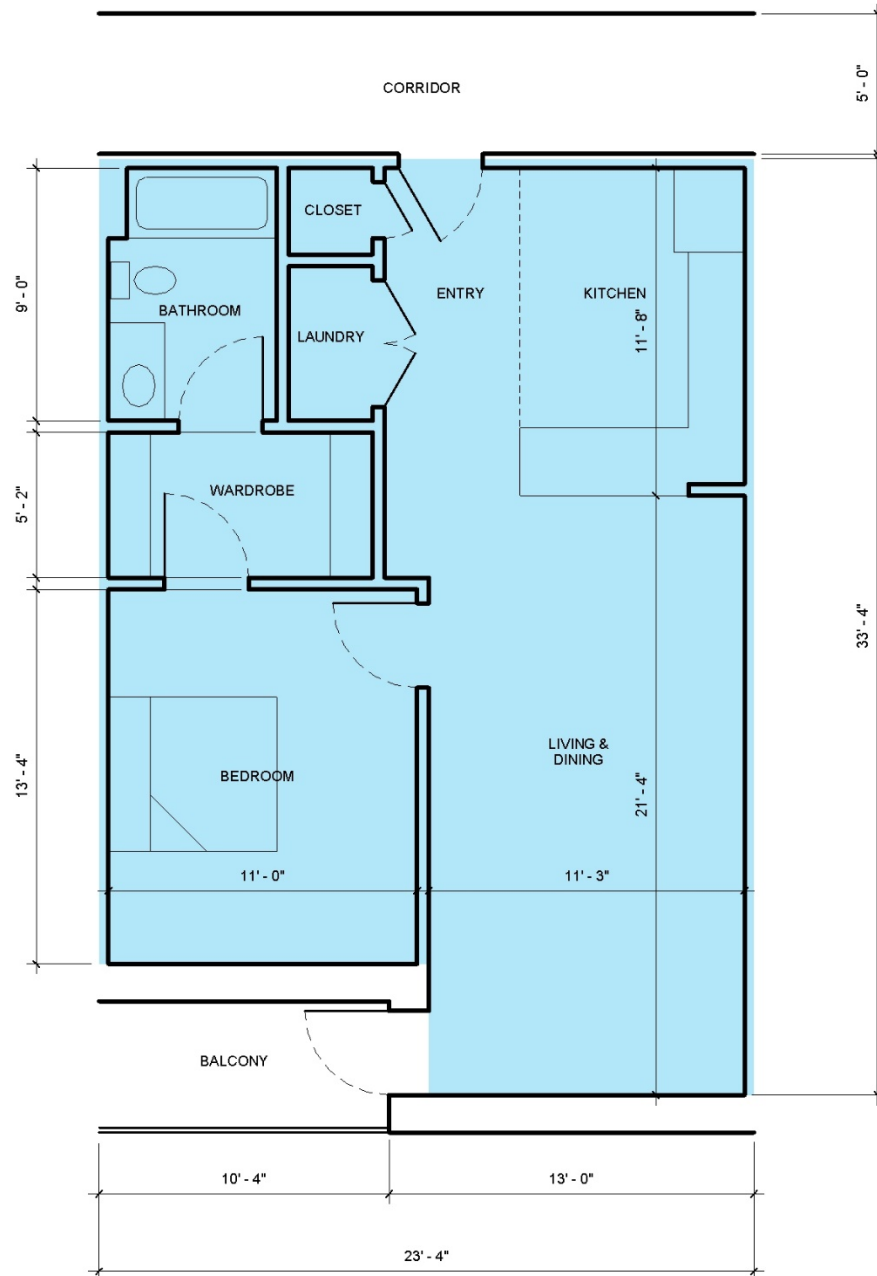
Appendix E: Town Center Core Demonstration Project- Ground Level Uses



Appendix F: Upper Level Plan, Little Diversified Architectural Consulting



Appendix G: Typical 1 BR and 2 BR Test Fit, Little Diversified Architectural Consulting



Appendix H: Typical 3BR Test Fit, Source: Little Diversified Architectural Consulting



Appendix I: Development Site Boundaries with Proposed Site Plan

Mixed Use Development Zone*

(Town and Private Developer negotiate agreement includes supplying parking for Library)

Wake County Library Zone

