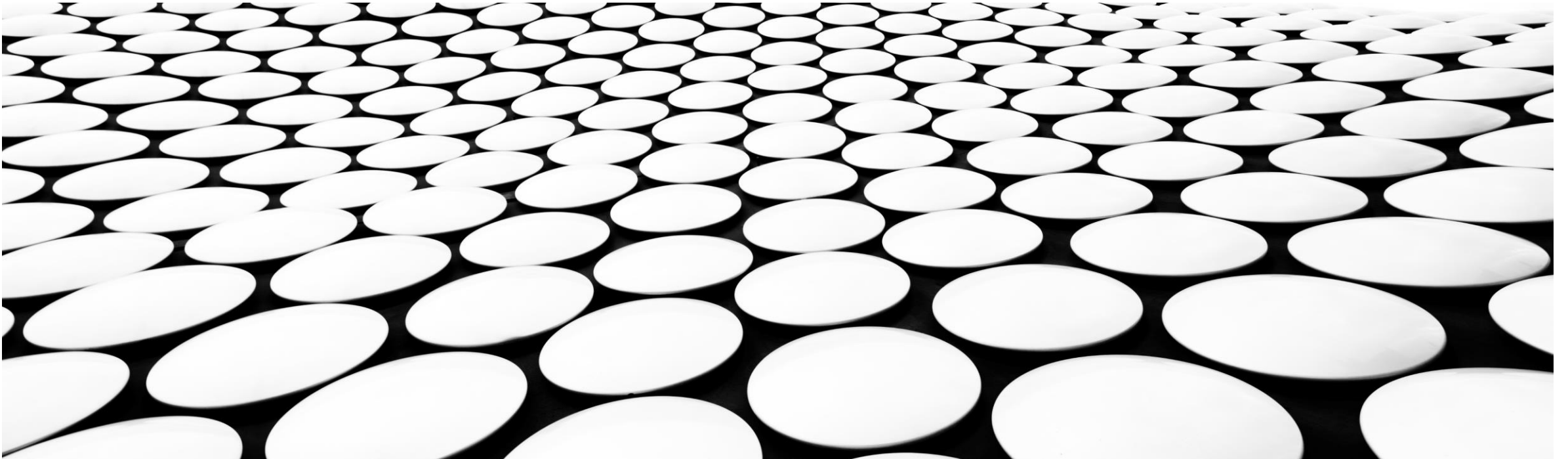
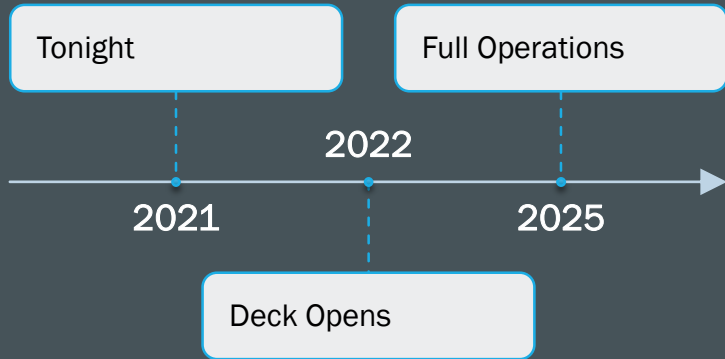

ROSEMARY PARKING DECK UPDATE

JUNE 2, 2021





VISION 2025



FUTURE FOCUS

- Civic investment in Downtown
- Spur private investment
- Capture innovation and biotech
- Attract residents and guests
- Efficiencies and Connections



COST HISTORY

Design changes to façade May 2020

Cost of North Street \$350,000 to \$600,000 Rock discovery after second boring

November/December 2020 (rock)

November/December 2020
Parking technology for better data

Lane changes March 2021 (design, permit and some material costs)

28M

- Initial estimate
- Did not include land costs and North Street

33M

- Added land, North Street
- Improved façade materials

39M

- Design Changes
- 3 lane entrance
- Geo-tech analysis finalized
- Market escalation

PROJECT CHANGES

Main factors in increasing the project budget

- Land Cost
- North Street Property
- North Street Access
- North Street Intersection
- Design Changes
- Market Conditions

WEB OF IMPACTS

Downtown Together

Parking Services

Biotech Ecosystem

Spin-off Impacts



DECISIONS

- Adopt resolution to proceed with authorizing of financing agreement and calling a public hearing on June 9, 2021 (2021-06-02/R-1)(LOBS)
- Provide guidance on cost-savings opportunities
- Approve GMP
- Review parking technology – \$950,000



CONSTRUCTION COSTS

- Construction cost increases since 2020
 - Rock removal
 - Geotechnical analysis identified granite within the area of excavation that will need to be removed
 - Material cost escalation
 - Many products that will be required for the project have increased substantially since 2020
 - Metals
 - Reinforcing, railings, conduit, HVAC equipment, sprinkler, etc.
 - Metal panels and façade elements
 - Copper
 - Electrical wiring and plumbing pipes

COST SAVINGS

Value engineering that is consistent with the long-term vision for the project

- Potential construction cost savings could include:
 - Revising the stair railing materials
 - Revising the thickness of the metal façade panels by 1/16”
 - Revising the material used for the storm and sanitary piping
 - Revising the material used for the electrical conduit and electrical feeders
 - Selecting alternative but similar light fixtures
 - **Recommending** because they align with long-term vision of the project

COST SAVINGS

Materials Changes ADAM'S
SLIDE

- Cost savings could be outweighed by risk of changing design
 - Time and cost to redesign
 - Adds exterior materials costs, removes rock costs
 - Rebid
 - Would require Planning Commission, Council, and DOI approval
 - Savings could be lost to escalation
- **Recommending** because they align with long-term vision of the project

COST SAVINGS

Value engineering that might impact the long-term vision for the project

- Exterior materials (>100\$/SF) – chosen to be durable and timeless, meets various design interests
 - Photovoltaic and Electric Vehicle charging stations – could be removed now, but will eventually help offset costs – chosen to meet sustainability interests
 - More robust parking technology – chosen to help us maximize use of the deck and increase revenues
- **Not** recommending because they don't match community's long-term vision for the project

COST SAVINGS

Discussion of opportunity to raise deck 1 level (11-12') to save construction costs.

- Cost savings could be outweighed by risk of changing design
 - Time and cost to redesign
 - Adds exterior materials costs, removes rock costs
 - Rebid
 - Would require Planning Commission, Council, and DOI approval
 - Savings could be lost to escalation
- **Not** recommending due to risk of additional escalation

PROJECT CASH FLOWS

- Cash Flows assume deck opens by January 1, 2023

		@ 1/2 year								
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Leased space parking rate		\$125	\$125	\$125	\$125	\$130	\$130	\$130	\$135	\$135
# Leased spaces		475	475	475	475	475	475	475	475	475
Occupancy %		100%	100%	100%	100%	100%	100%	100%	100%	100%
		\$ 356,250	\$ 712,500	\$ 712,500	\$ 712,500	\$ 741,000	\$ 741,000	\$ 741,000	\$ 769,500	\$ 769,500
Over leases @ 15%		53,438	106,875	106,875	106,875	111,150	111,150	111,150	115,425	115,425
Overnight leases @ 10%		35,625	71,250	71,250	71,250	74,100	74,100	74,100	76,950	76,950
	\$ -	\$ 445,313	\$ 890,625	\$ 890,625	\$ 890,625	\$ 926,250	\$ 926,250	\$ 926,250	\$ 961,875	\$ 961,875
Hourly space parking rate		\$1.50	\$1.50	\$1.50	\$1.50	\$1.60	\$1.60	\$1.60	\$1.70	\$1.70
# Hourly spaces		525	525	525	525	525	525	525	525	525
Hours of Operation		12	12	12	12	12	12	12	12	12
Days of Operation		312	312	312	312	312	312	312	312	312
Occupancy %		65%	65%	70%	72%	74%	76%	78%	80%	82%
	\$ -	\$ 958,230	\$ 1,916,460	\$ 2,063,880	\$ 2,122,848	\$ 2,327,270	\$ 2,390,170	\$ 2,453,069	\$ 2,673,216	\$ 2,740,046
UNC deck maintenance	\$ -	\$ 20,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Total Operating Revenues	\$ -	\$ 1,423,543	\$ 2,847,085	\$ 2,994,505	\$ 3,053,473	\$ 3,293,520	\$ 3,356,420	\$ 3,419,319	\$ 3,675,091	\$ 3,741,921
Total Operating Expenses	-	(220,000)	(440,000)	(453,200)	(466,796)	(480,800)	(495,224)	(510,081)	(525,383)	(541,145)
	\$ -	\$ 1,203,543	\$ 2,407,085	\$ 2,541,305	\$ 2,586,677	\$ 2,812,721	\$ 2,861,196	\$ 2,909,238	\$ 3,149,708	\$ 3,200,777
Total Deck Debt Service	(390,000)	(2,730,000)	(2,691,000)	(2,652,000)	(2,613,000)	(2,574,000)	(2,535,000)	(2,496,000)	(2,457,000)	(2,418,000)
Net Cash Flows	\$ (390,000)	\$ (1,526,458)	\$ (283,915)	\$ (110,695)	\$ (26,323)	\$ 238,721	\$ 326,196	\$ 413,238	\$ 692,708	\$ 782,777
Cumulative Cash Flows	\$ (390,000)	\$ (1,916,458)	\$ (2,200,373)	\$ (2,311,068)	\$ (2,337,391)	\$ (2,098,670)	\$ (1,772,474)	\$ (1,359,236)	\$ (666,528)	\$ 116,249

PROJECT CASH FLOWS

- Cash Flows assume deck opens as planned by October 1, 2022

		@ 3/4 year								
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Leased space parking rate		\$125	\$125	\$125	\$125	\$130	\$130	\$130	\$135	\$135
# Leased spaces		475	475	475	475	475	475	475	475	475
Occupancy %		100%	100%	100%	100%	100%	100%	100%	100%	100%
		\$ 534,375	\$ 712,500	\$ 712,500	\$ 712,500	\$ 741,000	\$ 741,000	\$ 741,000	\$ 769,500	\$ 769,500
Over leases @ 15%		80,156	106,875	106,875	106,875	111,150	111,150	111,150	115,425	115,425
Overnight leases @ 10%		53,438	71,250	71,250	71,250	74,100	74,100	74,100	76,950	76,950
	\$ -	\$ 667,969	\$ 890,625	\$ 890,625	\$ 890,625	\$ 926,250	\$ 926,250	\$ 926,250	\$ 961,875	\$ 961,875
Hourly space parking rate		\$1.50	\$1.50	\$1.50	\$1.50	\$1.60	\$1.60	\$1.60	\$1.70	\$1.70
# Hourly spaces		525	525	525	525	525	525	525	525	525
Hours of Operation		12	12	12	12	12	12	12	12	12
Days of Operation		312	312	312	312	312	312	312	312	312
Occupancy %		65%	65%	70%	72%	74%	76%	78%	80%	82%
	\$ -	\$ 1,437,345	\$ 1,916,460	\$ 2,063,880	\$ 2,122,848	\$ 2,327,270	\$ 2,390,170	\$ 2,453,069	\$ 2,673,216	\$ 2,740,046
UNC deck maintenance	\$ -	\$ 30,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Total Deck Operating Revenues	\$ -	\$ 2,135,314	\$ 2,847,085	\$ 2,994,505	\$ 3,053,473	\$ 3,293,520	\$ 3,356,420	\$ 3,419,319	\$ 3,675,091	\$ 3,741,921
Total Deck Operating Expenses	-	(330,000)	(440,000)	(453,200)	(466,796)	(480,800)	(495,224)	(510,081)	(525,383)	(541,145)
	\$ -	\$ 1,805,314	\$ 2,407,085	\$ 2,541,305	\$ 2,586,677	\$ 2,812,721	\$ 2,861,196	\$ 2,909,238	\$ 3,149,708	\$ 3,200,777
Total Deck Debt Service	(390,000)	(2,730,000)	(2,691,000)	(2,652,000)	(2,613,000)	(2,574,000)	(2,535,000)	(2,496,000)	(2,457,000)	(2,418,000)
Net Cash Flows	\$ (390,000)	\$ (924,686)	\$ (283,915)	\$ (110,695)	\$ (26,323)	\$ 238,721	\$ 326,196	\$ 413,238	\$ 692,708	\$ 782,777
Cumulative Cash Flows	\$ (390,000)	\$ (1,314,686)	\$ (1,598,601)	\$ (1,709,296)	\$ (1,735,619)	\$ (1,496,899)	\$ (1,170,703)	\$ (757,465)	\$ (64,757)	\$ 718,020

PROJECT FUNDING

Discussion of how we are paying for this project.

- Limited Obligation Bond Issuance – up to \$39 million
- UNC Contribution – approximately \$3.9 million
- American Rescue Plan Act

DECISION POINTS



Tonight

- Adopt resolution to proceed with authorizing of financing agreement and calling a public hearing on June 9, 2021 (2021-06-02/R-1)(LOBS)
- Provide guidance on cost-savings opportunities

Tonight or June 9th

- Approve GMP

June 4th

- Review parking technology – \$950,000

SCHEDULE

- June 4, 2021 Council Committee on Economic Sustainability (CCES) Meeting
 - Review Parking Technology options

- June 9, 2021 Council Meeting
 - Public Hearing for Limited Obligation Bonds Financing

- June 23, 2021 Council meeting
 - Final authorization for financing