



Memorandum

CITY OF DURHAM

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Reginald J. Johnson, Interim Director
Department of Community Development

Date: June 18, 2012

Re: MBS Master Development Agreement – Corrected Exhibit C

In reviewing Exhibit C (Development Budget) of the Master Development Agreement with McCormack Baron Salazar, errors were noted within individual line items. These errors did not affect the total development cost shown at the bottom of the page or the potential gap.

The primary error was that the total for furnishings and equipment in the NCHFA Revised Cost column should have been \$80,000.00. The error occurred as a result of the manual entry of data into a WORD table from an Excel spreadsheet. Two rounding errors were also identified and corrected.

The corrected Exhibit C is attached.

Attachment #19
“Exhibit C” Revised 06-18-12

Exhibit C – Development Budget

Southside East Revitalization Budget Phase 1 (Revised 6-18-12)		
	NCHFA Revised Cost	MBS Actual Budget
On Site Improvements	2,558,425	2,558,425
New Buildings Construction	9,562,362	9,562,362
General Requirements	726,731	726,731
Overhead	256,778	256,778
Profit	1,027,800	1,027,800
Contingency	706,500	706,500
Architectural Design	348,998	348,998
Architectural Administration	95,700	95,700
Engineering	386,039	386,039
SUBTOTAL	15,669,333	15,669,333
Construction Insurance	139,700	139,700
Construction Loan Orig. Fee	83,200	83,200
Construction Loan Interest	162,497	162,497
Construction Paid Taxes	73,529	73,529
Water, Sewer Impact Fees	169,249	169,349
Survey	13,803	13,803
Environmental Report	40,000	40,000
Market Study	4,300	11,000
Permanent Loan Orig. Fee	83,033	83,033
Title and Recording	20,000	20,000
SUBTOTAL	789,311	796,111
Real Estate Attorney	50,000	50,000
Other Attorney's Fees	25,000	130,000
Tax Credit Application Fees	2,400	2,400
Tax Credit Allocation Fee	100,166	100,166
State Credit Closing Fee	1,500	1,500
Cost Certification/Accounting	15,000	25,000
Tax Opinion	5,000	15,000
Organizational	5,000	14,100
Tax Credit Monitoring Fee	88,060	88,060
SUBTOTAL	292,126	426,226
Furnishings and Equipment	80,000	119,000
Developers Fee	1,000,000	1,000,000
Additional Contingency	30,000	30,000
Other Basis Exp. Live/Work/Retail	1,044,628	1,303,942
Other Basis Exp. Pay/Perf. Bond	69,777	69,777
Rent Up Expenses	126,848	322,898
Other Non Basis Expenses Marketing	0	40,000
Other Non Basis Expenses (Fees)	37,911	37,911
SUBTOTAL	2,389,164	2,293,528
Rent Up Reserve	51,652	51,652
Operating Reserve	452,121	452,121
Other Reserve		
TOTAL DEVELOPMENT COST	19,643,707	20,318,971
GAP		-675,264