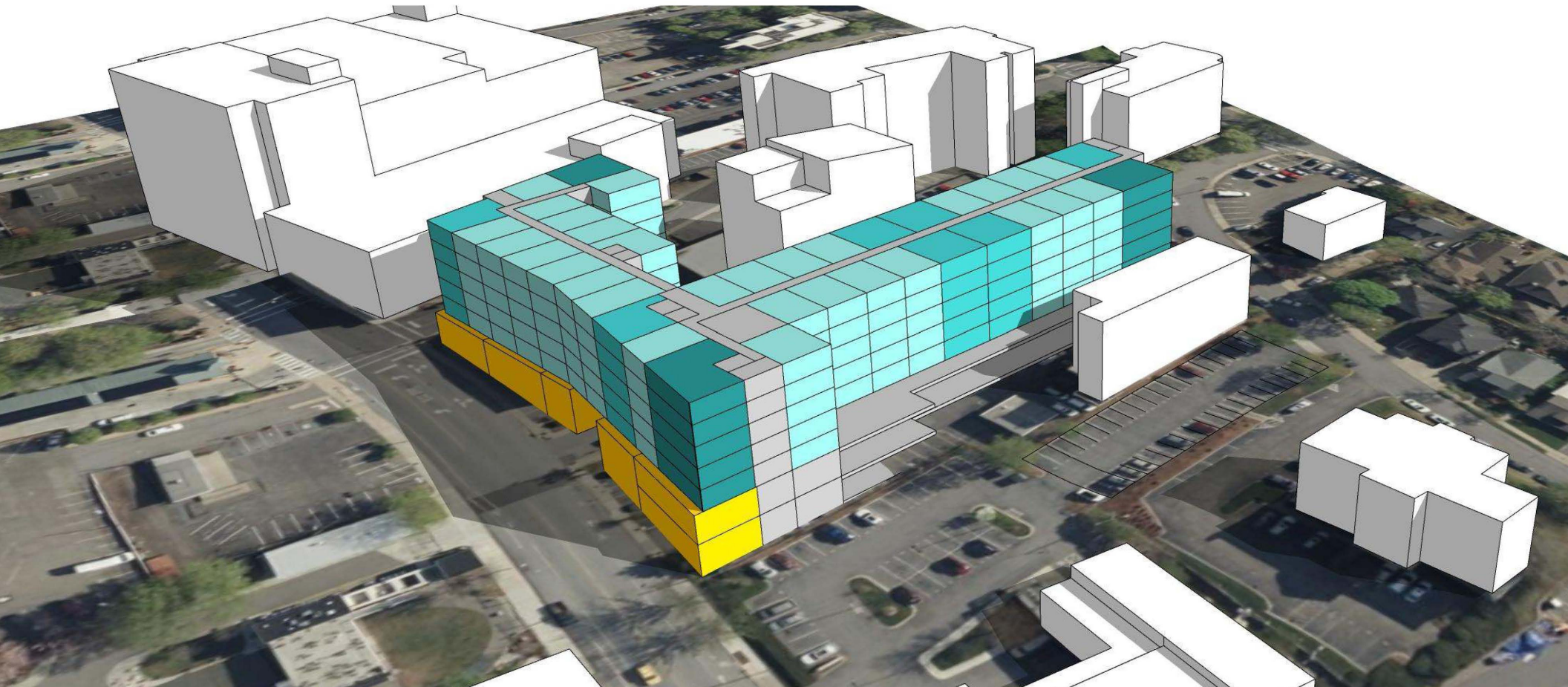


SOLICITATION FOR DEVELOPMENT PARTNER PROPOSALS

Affordable Housing on Coxe Avenue | ASHEVILLE | BUNCOMBE COUNTY, NC



SCHOOL OF GOVERNMENT
Development Finance Initiative



CONTENTS

About this Solicitation	1
Guiding Public Interests	2
Coxe Avenue Opportunity	3
Potential Public Participation	7
Buncombe County Market	9
Submission Process	12
Evaluation Criteria and Selection Process	13
Additional Information	17
Appendix A: Development Services Fee	18
Appendix B: Buncombe County Procurement Policy	19



SCHOOL OF
GOVERNMENT
Development
Finance Initiative



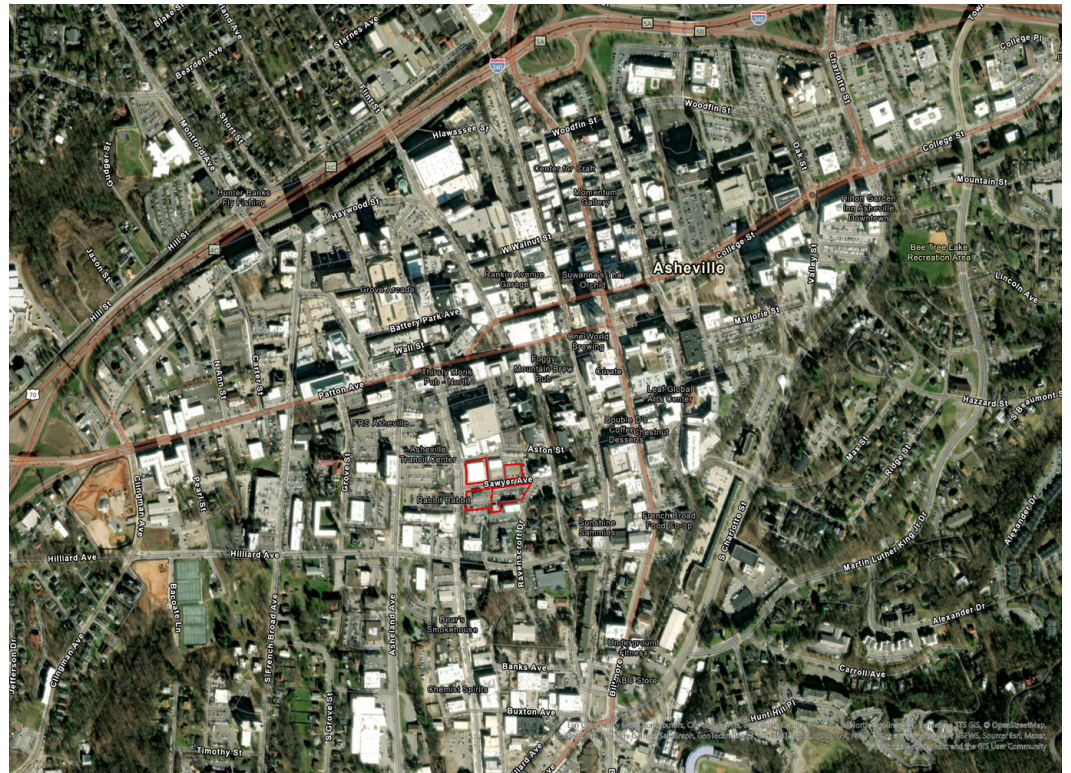
ABOUT THIS SOLICITATION

Buncombe County, North Carolina (“The County”) is pleased to release this Solicitation for Development Partner Proposals (“SDP”) for the redevelopment of approximately 1.6 acres at 50 and 52 Coxe Avenue in downtown Asheville into rental units affordable to low- and moderate-income (LMI) households. This document is an invitation for qualified development partners to present development concepts featuring affordable housing and including non-residential ground floor uses for review and consideration by Buncombe County. Responses to the solicitation are **due September 18, 2024**.

In 2021, the Buncombe County Board of Commissioners (“BOC”) **committed to impacting the development of 1,500 to 1,850 rental units for households earning less than 80% AMI by 2030**. The redevelopment of these County-owned properties along Coxe Avenue is part of this larger effort to identify and support opportunities for the private development of affordable housing.

The Development Finance Initiative (“DFI”) at UNC Chapel Hill’s School of Government (“SOG”) will help developers understand and respond to the County’s requirements for the redevelopment of 50 and 52 Coxe Avenue. This process will culminate in the selection of a development partner and the negotiation of a development service agreement for public-private partnerships pursuant to North Carolina General Statutes 160D-1311, 157-9, and other relevant authority.

Prior to releasing this SDP, DFI and the County completed significant predevelopment work to ensure the project and proposed public-private partnership is supported by the community, endorsed by the BOC, and financially feasible for development partners.



Downtown Asheville and Coxe Avenue Sites

Estimated Timeline for Key Agreements

Sep. 18, 2024	Development partner proposals due
End of 2024	BOC select development partner
Spring 2025	County and development partner execute Memorandum of Understanding (MOU)
Spring 2025	Development partner begins predevelopment
Early 2026	County and development partner execute Development Agreement

GUIDING PUBLIC INTERESTS

A critical component of the County's predevelopment process was the identification of guiding public interests – the publicly-supported goals the BOC expects to achieve through this development. These interests stem from the County's 2030 housing goals and were refined through an extensive community engagement process that included a series of community input sessions, online feedback forms, small group stakeholder meetings, and a project website. DFI and the County identified the following guiding public interests, as endorsed by the BOC in August 2023:

Redevelopment of 50 and 52 Coxe Avenue should:

- Maximize the number of new apartments affordable to low- and moderate-income households in a mixed income setting;
- Include active ground floor uses that serve residents and commuters and increase pedestrian traffic along Coxe Avenue;
- Maintain direct and safe access from Coxe Avenue to Church Street for pedestrians and cyclists;
- Balance maximum density and pedestrian-scale design that extends the vibrant, urban streetscape from Patton Avenue to the South Slope area; and
- Attract as much private investment as possible in order to maximize the impact of public investment in affordable housing.

COXE AVENUE OPPORTUNITY

Overview

Buncombe County seeks a qualified Low-Income Housing Tax Credit (LIHTC) partner to develop 200 affordable units, utilizing the LIHTC program, on approximately 1.6 acres of County-owned land in downtown Asheville. The County committed multiple parcels clustered along Coxe Avenue and spanning Sawyer Street for the purpose of meeting its 2030 affordable housing goals. The three parcels are 50 and 52 Coxe Avenue and 1 Ravenscroft Drive. Located in the heart of downtown Asheville, these properties are critical to the fabric of this vibrant, nationally-recognized, destination city. This project will deliver much needed housing options for households earning between 20% and 80% of the Area Median Income (AMI) that are unable to find housing downtown.

DFI and the County worked with McMillan Pazdan Smith Architecture (MPS) to create conceptual building plans that combine residential development and commercial space along Coxe Avenue and Sawyer Street. MPS developed multiple plans that generally comply with the City of Asheville's Unified Development Ordinance (UDO) and LIHTC design requirements, maximize the potential of the sites, and meet the guiding public interests. The BOC emphasized the importance of maximizing the number of units while maintaining a pedestrian-friendly environment, and ultimately selected the development program that includes closing a portion of Sawyer Street while still maintaining pedestrian and utility access through the building. The level of density proposed will require the selected developer to pursue conditional zoning.

The development program and conceptual site plan described in this solicitation should inform but not dictate the developer's submission. Developers are encouraged to submit their own approach and should use the program and plan approved by the BOC as a frame of reference for the type and scale of development the County desires. Developers are not required to engage MPS.

The parcel at 50 Coxe Avenue currently has a 10,000 SF warehouse building that houses County elections services; 52 Coxe has a 3,400 SF building currently occupied by the Buncombe County Bureau of Identification. The County plans to relocate these services off-site to facilitate this development.

The parcel at 99999 Sawyer Street is not included in the plan but could be available if the development partner proposal demonstrates that its use could better meet the guiding public interests.



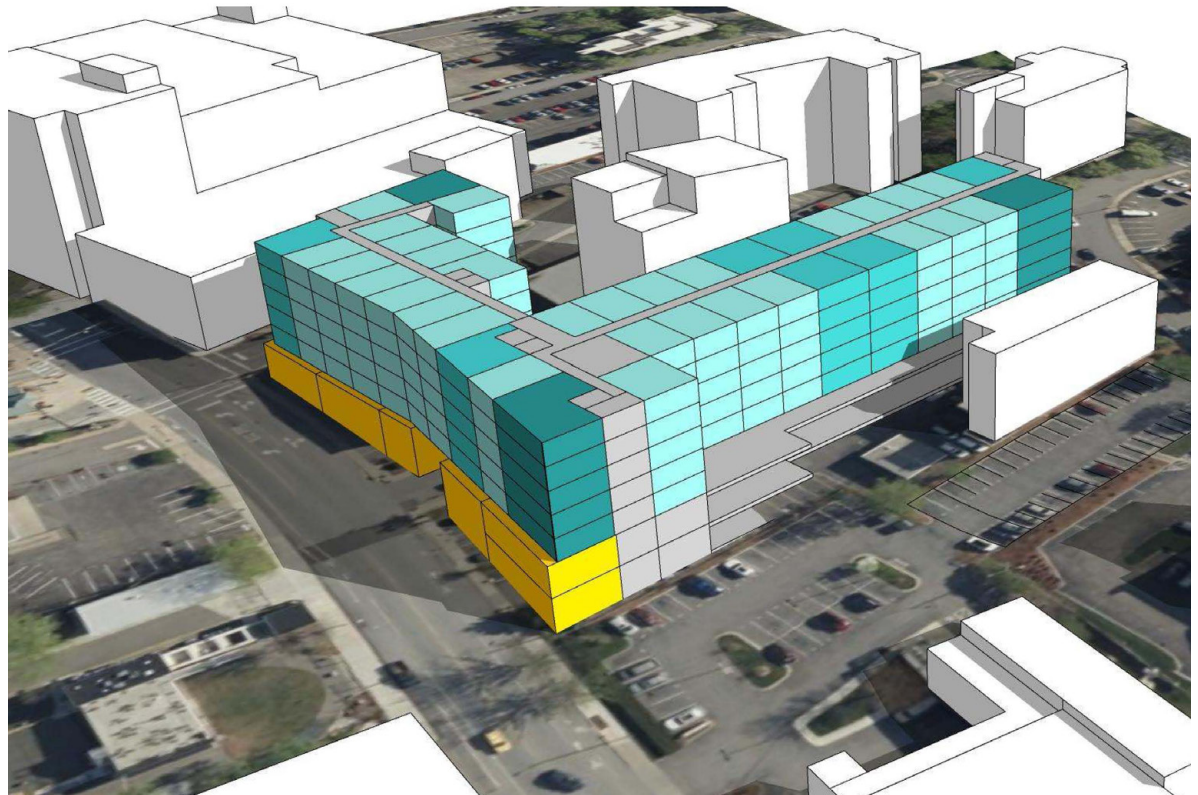
County-owned parcels at Coxe and Sawyer Street

PIN Numbers: 964839454000000; 964839435300000;
964839636600000; **Potential:** 964839648900000

Development Plan

The plan endorsed by the BOC heavily features one-bedroom units with a parking ratio of 0.6 spaces per unit, given the market demand, downtown setting, and proximity to transit. Providing fewer than 1.75 parking spaces per unit will require approval from the NC Housing Finance Agency (NCHFA).

Building Footprint	45,915 SF
Green Space on Site	4,200 SF
Building Levels	7
Gross Building	231,450 SF
Total	200 units
1-Bedroom	155 units
2-Bedroom	30 units
3-Bedroom	15 units
Commercial Space on Coxe	5,900 SF
Total Parking	120 spaces



View of building massing, facing NE, along Coxe Avenue

PROGRAM LEGEND

1 BEDROOM	AMENITY / NON-RESIDENTIAL
2 BEDROOM	UTILITY / STORAGE
3 BEDROOM	GREEN SPACE

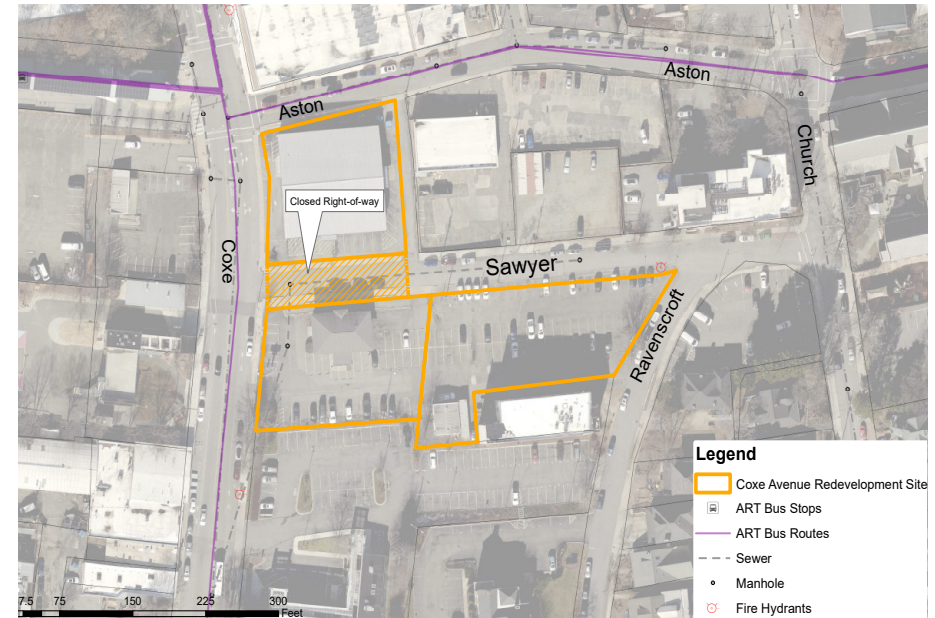
Proposed floor plans demonstrating pedestrian access along Sawyer Street (level 1), parking deck access from Ravenscroft Drive and Sawyer Street (levels 1 and 2), and multifamily unit layout (levels 3-7).



Sawyer Street Pedestrian Access

To mitigate the impact of the closure of a portion of Sawyer Street, the proposed development should maintain pedestrian and utility access through the ground floor of the building from Coxe Avenue towards Ravenscroft Drive. The goal is to create a vibrant and safe experience for pedestrians. The City of Asheville's Technical Review and Multimodal Committees have approved a Right of Way abandonment. The next step for the County will be to attain approval from the Asheville City Council.

The following plan, created by Sitework Studios, identifies the potential location of the required LIHTC amenities and other public features that could contribute to a dynamic and safe experience for pedestrians. Proposals should indicate how the private development will provide similar amenities.



Proposed right of way closure



Proposed site plan, created by Sitework Studios, including partial Sawyer Street closure

Ground Floor Non-Residential Space

Coxe Avenue is designated a “key pedestrian street” in the City of Asheville’s UDO and therefore requires “at least 70 percent of the street-level façade is composed of windows, doors and other openings.” This design requirement is consistent with the guiding public interest to activate the space along Coxe Avenue and extend pedestrian activity from the core of downtown. DFI and the County understand that providing non-residential space in a LIHTC development poses a challenge. The County is open to approaches activating the space without compromising the delivery of affordable units.

POTENTIAL PUBLIC PARTICIPATION

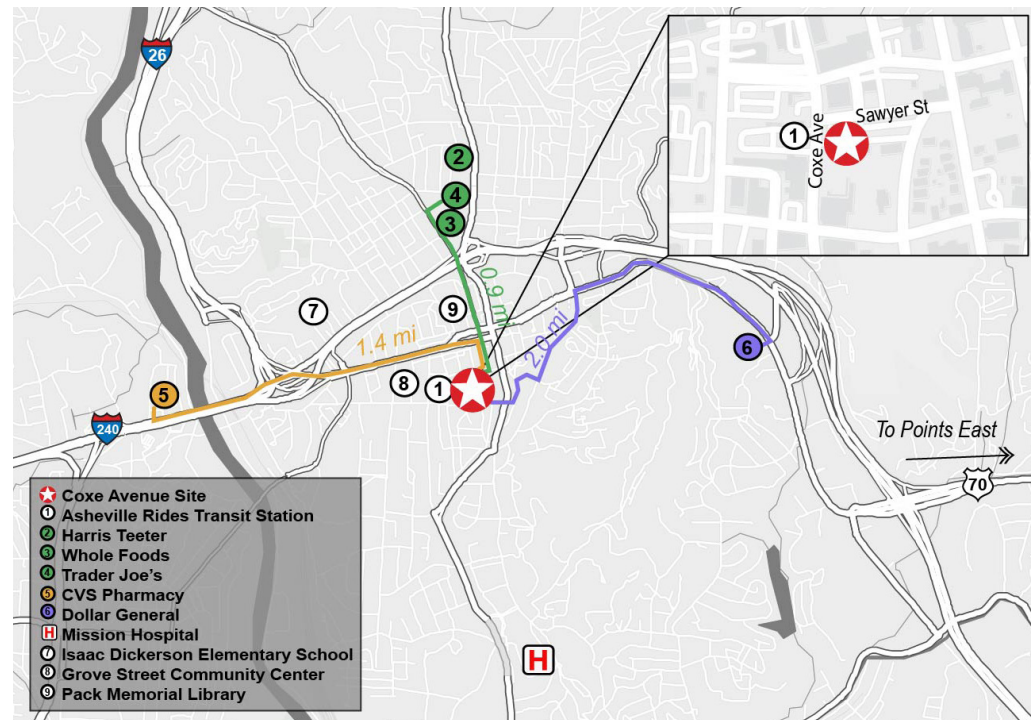
The County anticipates supporting the program described above as follows:

- 50+ year ground lease to the selected development partner at a nominal rate.
- Up to \$9.8 million for at least 200 restricted, affordable units utilizing a combination of the 9% and tax-exempt bond/4% tax credits.

In order to leverage the County's investment and maximize the units on the site, the County seeks a partner who will attempt to "twin" two projects, a 9% LIHTC project and a tax-exempt bond/4% LIHTC project, under a common plan of development. This is a well-established structure in multiple states that would drastically reduce the amount of low-cost, public, or non-profit financing required. If successful, 50-52 Coxe would be one of the first projects in NC to utilize both credits in a single development.

The site should receive the maximum site score of 71 points (per the 2024 NCHFA Qualified Allocation Plan). The site is located in downtown Asheville, across from the main Asheville Rides Transit (ART) Station, and within a mile-and-a-half of a grocery and pharmacy. Although the site is within walking distance of various retail options, the primary shopping required by NCHFA is roughly two miles from the site. The loss of those points is mitigated by the transit station and several secondary amenities in proximity. The project as proposed also maximizes points available through the Olmstead Settlement Initiative.

If the selected development partner applies and the project does not receive the 9% award, the County is aware of the impacts to the level of participation needed and will discuss additional participation in that circumstance.



LIHTC required amenities in proximity to the Coxe Avenue site

Potential development partners must demonstrate non-County sources of debt and equity were maximized prior to layering in the County’s investment. DFI assumed the following to estimate the potential level of County participation:

Sources and Uses

- Total Development Cost: \$59M
- Average estimated LIHTC equity pricing: \$0.91
- The property is located in a Difficult Development Area and receives a 30% boost in tax credits.
- The 9% LIHTC portion qualifies for an RPP award of \$675,000.
- 7.5% interest rate on private debt with at least 30-year amortization
- 15% of developer fees deferred

Income

- 9% LIHTC Portion: 45 Units

	30% AMI	50% AMI	60% AMI	80% AMI
Income Distribution	25%	20%	35%	20%

- 4% LIHTC portion: 155 Units

	30% AMI	60% AMI	80% AMI
Income Distribution	20%	60%	20%

- Assumed 20% of units reserved for households earning less than 30% AMI would have Project-Based Vouchers (PBVs) attached by the Housing Authority of the City of Asheville.
- Assumed monthly rent from PBVs excluding utilities (heating and electricity) is \$1,565.

The County looks forward to enlisting an affordable housing development partner with the vision, capacity, and experience to execute this transformative project.

All due diligence conducted by the County and associated with the outlined development plan (geotechnical and environmental reports, CAD files, etc.) is available to potential development partners by e-mailing Sarah Odio at odio@sog.unc.edu.

BUNCOMBE COUNTY MARKET

Buncombe County, with its county seat in Asheville, is one of the fastest growing communities in North Carolina. The Area Median Income (AMI) for a family of four in the Buncombe MSA is \$86,900.¹

	2023 ²		2028 ³		Projected Annual Growth
	Total Households	Renters	Total Households	Renters	
Asheville	44,900	22,730	47,100	24,027	0.97%
Buncombe County	121,400	45,951	126,000	47,615	0.76%

According to the Department of Housing and Urban Development (HUD) calculations, approximately two-thirds of, or 15,600, low-and-moderate income (LMI) renters (those that earn less than 80% AMI) in Buncombe County are spending more than 30% of their income on housing. Of these LMI renters, nearly 7,000 are severely cost burdened, spending more than half their income on housing-related expenses.⁴

Individuals and small families are the households in Buncombe County most likely to be encumbered by rental costs. Nearly three out of four severely cost-burdened LMI renters, more than 5,000 households, are single households (less than half of these are seniors). Just 2% of severely cost-burdened households are families with five or more members.⁵

The demand for affordable housing is reflected in the consistently low vacancy rates across all LIHTC projects. Today, the county has about 2,600 active LIHTC units, predominantly located in the City of Asheville. CohnReznick and the National Housing Production Database report that the vacancy rate for LIHTC units in Buncombe County has remained below 2% for over a decade, despite the delivery of over 800 new units. Demand continues to build as the delivery of new affordable units is delayed; In the last two years, four developments with approximately 406 new units were awarded tax credits in the county although none have begun construction to date.⁶

1 2024 Multifamily Tax Subsidy Program (MTSP) Income & Rent Limits
2 Esri Business Analyst
3 Esri Business Analyst
4 HUD CHAS 2020
5 HUD CHAS 2020
6 North Carolina Housing Finance Agency

Downtown, the demand for affordable units is even greater and the average vacancy rate sits below the county-wide 2%. In 2021, 200 LIHTC units were delivered in the downtown area and all absorbed within the year.

According to CoStar, a commercial real estate database, the downtown area has approximately 1,060 multifamily rental units. About half of these are income restricted and the remaining 500 market-rate rental units are in high demand. The market rate vacancy rate is below 4% and average rents per unit top \$1,800 or \$2.20 per SF. A development with 187 units is currently under construction along Hilliard Avenue and will have an average asking rent of \$2.45 per SF for units that average 890 SF.

As a tourism destination, retail defines the downtown real estate market. Although much more space in the area is dedicated to retail than multifamily—more than 2.6 million SF—the vacancy rate has not risen above 5% in nearly 10 years.⁷ Rents average \$24 per SF and are supported by over 2,000 hotel rooms, double the number of residential units, within walking distance.



Map in downtown Asheville of local tourism destinations



View of South Slope area in downtown Asheville



Aerial view of downtown Asheville

⁷ CoStar

DFI's Role

DFI was engaged in September 2022 to identify sites suitable for affordable housing development and to perform a detailed pre-development feasibility analysis to arrive at the recommended development plan. DFI, as a program of the UNC-Chapel Hill School of Government, 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 representing more than \$1 billion of current and planned investment in communities across North Carolina, Virginia, and South Carolina.

The analysis included:

- **Community Engagement:** Identified guiding public interests for the development of the County-owned sites and engaged the community and stakeholders to help the BOC select a preferred development program. The memos summarizing the public feedback received regarding public interests and the leading development plans are available online at PublicInput.com/AffordableHousingDevelopment.
- **Market Assessment:** Assessed the supply and demand for affordable housing and retail uses.
- **Site Assessment:** Worked closely with MPS to identify the physical and regulatory constraints of the site and explore multiple development scenarios, including variations on density and building orientation, which meet LIHTC requirements and the guiding public interests.
- **Financial Feasibility:** Projected development costs, capital sources, and cash flows to ensure development feasibility. Identified potential level and type of public participation required to enable private development.

DFI's pre-development to date and ongoing role will benefit the development partner selected by the BOC by significantly reducing the time, effort, expense, and overall risk required to determine feasibility and identify the County's preferences and the potential type and scale of public participation. The County has therefore agreed in a contract fully executed on September 6, 2022 that the developer selected following the SDP pays a fee equal to 1% of the total development cost to DFI as part of any development services agreement related to the development of the project site. 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 include deferring payment of the fee until closing on construction financing for the Project. The terms of the fee are further described in Appendix A of this document.

SUBMISSION PROCESS

Proposals are due at 5:00 p.m. EDT on Wednesday, September 18, 2024. Proposals must be submitted electronically in PDF format to Sarah Odio at odio@sog.unc.edu and Matthew Card at matthew.card@buncombecounty.org.

Proposals must be prepared in conformance with the guidelines described under “Submission Requirements.” The e-mail subject must be “Development Partner: Buncombe County Coxe Avenue.”

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 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 odio@sog.unc.edu. The e-mail subject must be “PROTECTED: Development Partner: Buncombe County Coxe Avenue.”

For information concerning the procedure for responding to this SDP, clarifications of the terms, conditions, and requirements of this solicitation, and/or to request supporting information (including all due diligence), please e-mail Sarah Odio at odio@sog.unc.edu.

EVALUATION CRITERIA AND SELECTION PROCESS

Buncombe County and DFI will review proposals with the goal of identifying a development partner with a plan and the experience to best meet the identified guiding public interests. The BOC will endorse the selection of a development partner based on the proposals, analyses by DFI and County staff, and any and all information requested. The BOC endorsement will trigger a period of negotiation between the County and developer for a Memorandum of Understanding (MOU) to be followed by a development agreement.

A successful proposal in response to this solicitation will demonstrate the following:

- Alignment with the public interests listed in the section titled “Guiding Public Interests.”
- Qualifications and experience of the developer with preference given to those with experience with the type and scale of development proposed.
 - Proof of development team’s eligibility for LIHTC awards in North Carolina.
- Positive references from local governments who previously partnered with members of the development team, specifically the developer and management entity.
- Ability to deliver the type and scale of development outlined in the section titled “Coxe Avenue Opportunity.”
- Ability to execute the development within a reasonable timeline.
- Inclusion of assumptions that reflect market conditions.
- Ability to adhere to the MWBE requirement of North Carolina’s Minority Business Participation Goals (§ 143 128.2) and Buncombe County’s Procurement Policy (see Appendix B).

Competitive proposals will satisfy the above evaluation criteria. The following elements are preferred but not required:

- Commitment to inclusion of on-site renewable energy systems, installation of all electric appliances and equipment, participation in local utility efficiency programs, and/or compliance with energy efficiency standards including but not limited to ENERGY STAR

DFI and the County reserve the right to request additional information and arrange interviews after the solicitation period has ended. Developers may not submit additional information after the September 18, 2024 deadline, unless requested.

Submission Requirements

Development partners should organize their submission in the format with numbering described below. Please provide the requested information in appropriate detail to allow adequate review and evaluation. Any information that a respondent requests remain confidential should be sent under a separate cover (see above “Submission Process”).

A. PROPOSAL

1. Summary

Summary of approach to executing the proposed development plan and description of how the proposal aligns with guiding public interests.

2. Development Plan – Propose:

- a. Residential Units:
 - i. Total number of units by unit type and set asides by income level.
 - a. Minimum number of years for income restriction.
 - i. Average unit size by unit type.
 - ii. Expected rents and tenant-paid utilities
- b. Non-residential, commercial space.
 - i. Total leasable space.
 - ii. Expected rents.
 - iii. Potential tenant selection plan.
- c. Estimate of parking spaces required per unit.

3. Preliminary Site Plan – Include:

- a. Building massing.
- b. Indication of pedestrian and utility access to Sawyer Street.
- c. Identify amenities a) provided exclusively to LIHTC residents and b) publicly-accessible.

4. Development and Financing Assumptions – Provide:

Indicate if willing to pursue a project under a common plan of development utilizing both 9% and 4% and financed in part by tax-exempt bond. Provide development, financing, and operating assumptions that support feasibility of proposal, including the following:

- a. Sources and Uses for EACH project (i.e., 9% and 4%). In addition:
 - i. Projected terms and rates for each funding source, including LIHTC equity pricing.
 - ii. If public participation is anticipated, propose the public investment amount, and provide analysis to demonstrate level of participation is necessary.
- b. Ground lease rate, if exceeds nominal rate.
- c. Earnest money deposit – propose amount and terms.
- d. Structure of non-residential, commercial space financing, including sources and uses, ownership, etc.

5. Timeline

Proposed timeline for key pre-development and development milestones. Timeline should include preliminary LIHTC application submission, financial closings, securing commitments for PBVs, and groundbreaking. Indicate whether proposed timeline under “Estimated Timeline for Key Agreements” is feasible; if not, propose alternative timeline.

6. Additional Elements

If proposing to meet any of the preferred criteria, provide a detailed description of the approach and commitments.

B. QUALIFICATIONS

1. Letter of Introduction

Include a summary of the respondent’s qualifications (including LIHTC eligibility in NC), experience, and reasons for interest in this opportunity. Special attention should be given to a clear statement outlining how the developer’s experience and proposal aligns with the guiding public interests. The letter must be signed by a principal or authorized officer of the entity.

2. Developer Experience and References

- a. List of five recent and completed projects (preferably in the last ten years) relevant to proposed plans. Include the following information:
 - i. Location and name of project (preference for projects in North Carolina).
 - ii. Development team members, including architects/designers, general contractors, and property managers.
 - iii. Scope and scale of development program.
 - iv. Photos/illustrations of completed project.
 - v. Total development budget by use.
 - vi. Sources, including governmental sources.
 - vii. Financing partners.

- b. Identification of potential development team and role(s) in project. Include architect, general contractor, and property manager, if known.
 - i. Include brief history of firm, licensure, and past experience working with the developer.
- c. Most recent example, if any, of the development team's experience executing public-private partnerships.
 - i. Include all information requested above in section B.2(a). It can also be satisfied as one of the projects provided above, unless project was completed more than ten years ago.
 - ii. Contact information for a representative of the primary public agency partner in the project.

3. Minority/Women-Owned Business Enterprise (MWBE)

- a. If available, development firm's MWBE policy.
- b. If available, historical MWBE performance, particularly for projects in B.2(a).
- c. Proposed MWBE goals and strategy to achieve goals.

4. Disclosure 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 (submitted under confidential cover).

ADDITIONAL INFORMATION

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither Buncombe County nor SOG, 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 response to this request is at the sole risk of the respondent.

Those submitting responses to the SDP assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the County or SOG to cover the costs of any submittal, whether or not such submittal is selected or utilized. The County reserves the right to reject submittals or 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 County, including but not limited to a Development Services Agreement, are subject to all statutory and legal requirements and ultimate approval by the BOC in its sole and absolute discretion and nothing herein is to be construed as binding on the County.

The County 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 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 County, and no representation made by DFI during the solicitation and vetting process shall be binding on the County. Notwithstanding any provision herein, this solicitation shall not constitute an offer to contract on the part of the County. It shall not be construed to impose any legal obligations on the County.

This solicitation does not create any obligation or relationship, such as a partnership, joint venture, or similar legal relationship between the County 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: DEVELOPMENT SERVICES FEE

The performance by the County 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 County and the Developer pertaining to the responsibilities of either the County 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 County’s consultant (“DFI”) and its successors and assigns for pre-development services provided to the County, 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 (including horizontal and vertical development) of the Project 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 County or other parties prior to or contemporaneously with the execution of the Development Services Agreement (and in the event that projected costs are not available at time of execution, then Developer shall provide such costs as soon as possible thereafter), 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 total development cost shall not include costs related to development of structures that meet all of the following criteria following completion of the development: (i) the entire structure and the entire parcel of land on which the structure is located are owned in fee simple solely by the County; (ii) any financing associated with the structure is an obligation of the County alone; and (iii) the entire structure will be operated either (a) by the County directly or (b) by a contractor on behalf of the County pursuant to a contract executed by the County.

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 include deferring payment of the fee until closing on construction financing for the Project. 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.

APPENDIX B:

BUNCOMBE COUNTY PROCUREMENT POLICY

Section 3.2.4.5.

When soliciting for competitive proposals or bids, the County shall solicit directly to vendors who provide the goods or services needed for the purchase and are certified by the State Office of Historically Underutilized Businesses (HUB) or have identified themselves as a Woman or Minority-Owned Business Enterprise (WMBE) through registration with the County. This should be done in addition to any other processes or advertisements used to identify and solicit potential participants.