



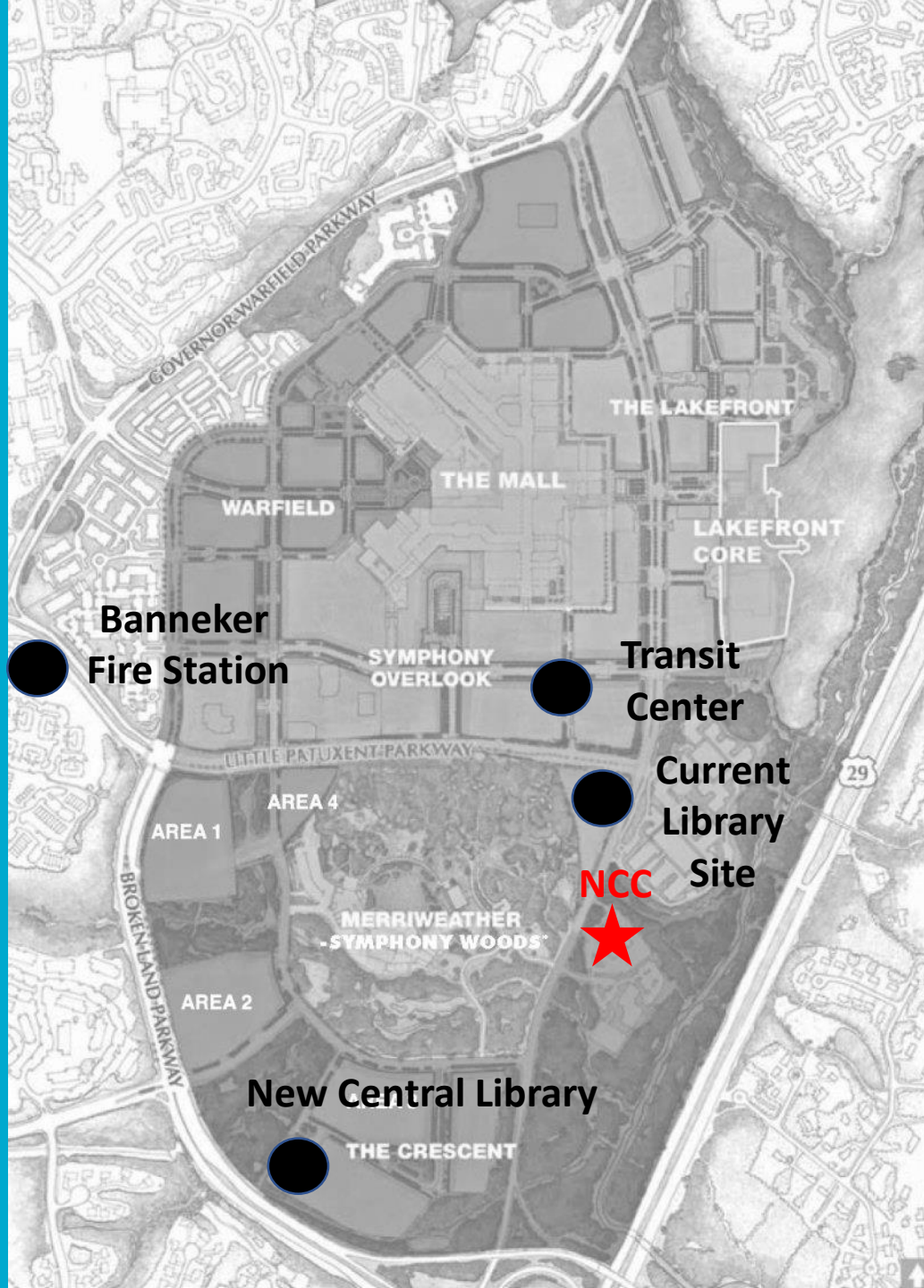
**New Cultural Center & Artists Flats
Summer 2020 Working Group**

Working Group Meeting #1 - Development Costs and Financing

Agenda

- Introduction to Working Group & Purpose
- Overview of Development
 - Design
 - Cost Overview
 - Status of Development Approvals and Permitting / LIHTC Approvals & Timing
- New Cultural Center Cost Issues
 - NCC Development Budget
 - Bond Pricing and Payments
- Opportunity for Public Comments
- Future Meetings & Topics

Downtown Columbia



Downtown Columbia Plan

Approved plan includes:

- 6,244 residential units (~1,200 completed)
- 4.3 million square feet of office
- 1.25 million square feet of retail
- 640 hotel rooms

Plan includes five public projects, with 417 affordable housing units in mixed-income buildings.

- New Cultural Center + Artists Flats
- New Central Library + Housing
- Housing on Current Library Site
- New Fire Station + Senior Housing
- New Transit Center + Housing

Affordable housing requirements are central to the Downtown Plan. Artists Flats is the first LIHTC project.

Overview of Development



New Cultural Center Design Strategy and Goals

- Create a first class arts and cultural center
- Provide anchor for Downtown Columbia
- Spur economic development through arts and theater
- Provide flexible spaces to support wide range of visual and performing arts
- Construct a new modern facility for Toby's Dinner Theater
- Provide a permanent home for Columbia Center for Theatrical Arts programs:



- Children's Theater
(Broadway Prep, Kids on Broadway, Young Columbians)
- After school and summer camps
- Special needs theater classes

NCC Program - 134,000 SF Basement, Floors 1 & 2, Floor 3 Plaza

Shared

- Two-story entrance lobby – rentable for events
- 3rd Floor Public Terrace - rentable for events
- Restrooms and back of house support spaces

Columbia Center for Theatrical Arts (“CCTA”)

- 350-seat dinner theatre with kitchen
- 300-seat black box theater with support spaces
- Cafe/bar
- Three (3) Performing Arts Rooms
- Box Office, Sales, Coat Check, and Office Suite

Dept. of Recreation and Parks – Visual and Performing Arts Center

- 300-seat black box theater with support spaces
- Public Gallery for the visual arts – can be rented for events & corporate functions
- Two (2) dance studios
- Seventeen (17) Arts Rooms and Studios including Multi-purpose, Vocals, Kiln, Sensory Play, and Demonstration Cooking Classroom, with five (5) rooms having moveable partitions for flexibility
- Information Desk and Office Suite



NCC Program/Layout – Key Changes

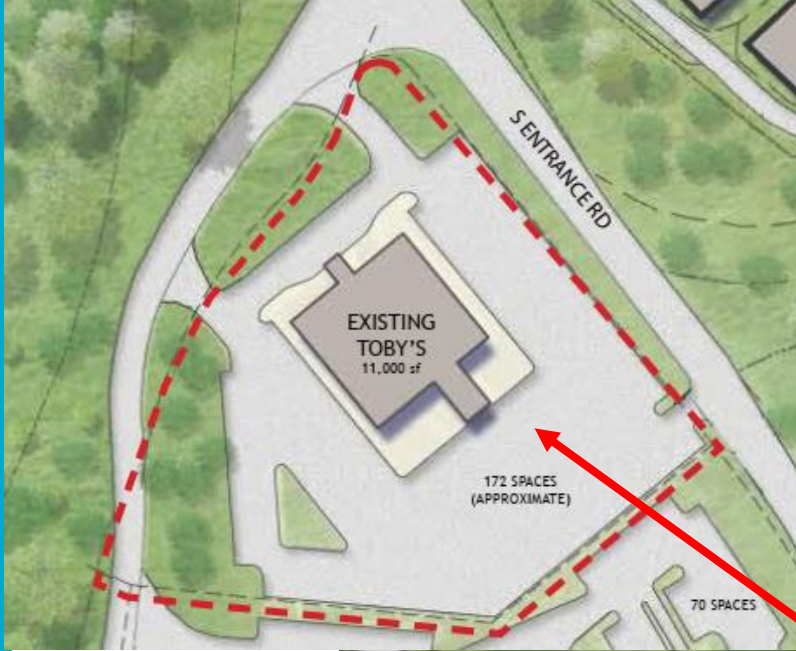
Revisions Made in Consultation with Dept. of Recreation and Parks & CCTA

- **Functional Redesign of Lobby/Entrance Areas**
 - Relocate CCTA box office
 - Create Front Desk/Information Area for Recreation and Parks
 - Gift Shop eliminated
 - Create larger gallery, two studios merged together
- **Include Modifications for Specific Arts Uses**
 - Create Art Studio with a Kiln
 - Create Cooking Demonstration Classroom
 - Create soundproof rooms for vocal/music lesson space, and for video/audio production
- **Modify Studio Spaces to Create Additional Rooms for More Users**
- **Include Flexibility in Rooms to Size up or Down**

NCC - Site

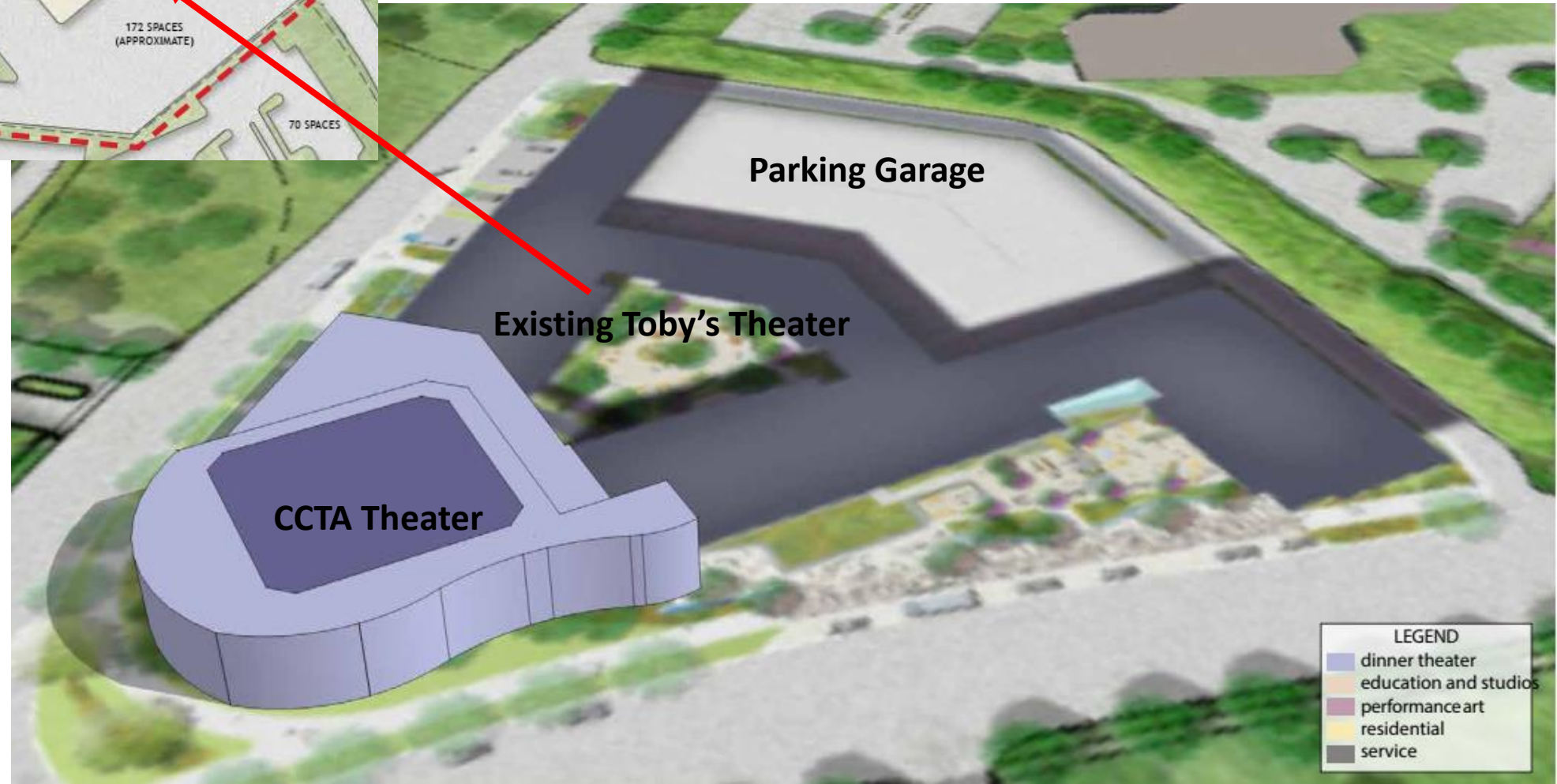


New Cultural Center



Phase 1A – Construction of CCTA Theater

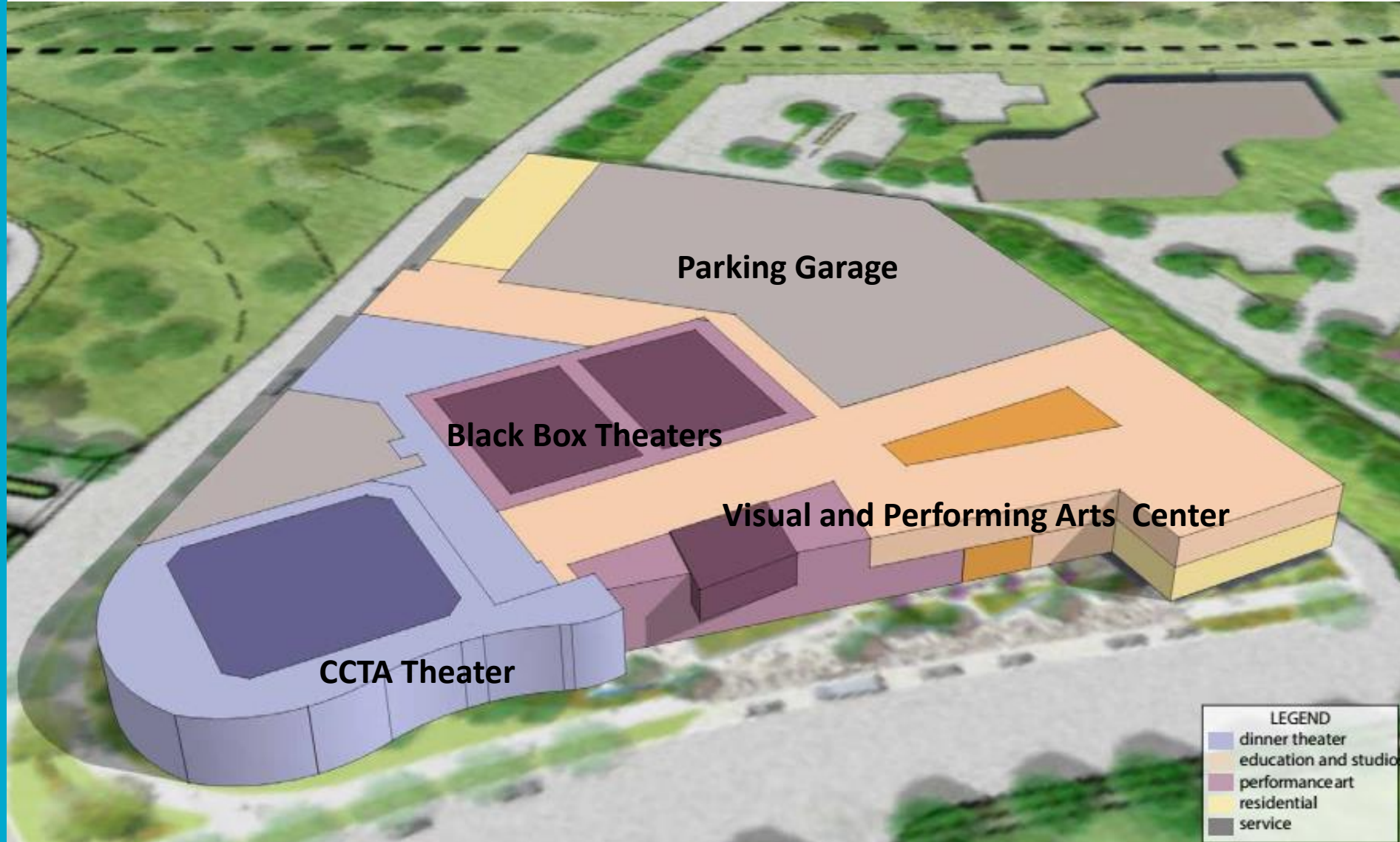
- Current Toby's Dinner Theater continues operation
- Moves into new facility when Phase 1A complete



New Cultural Center

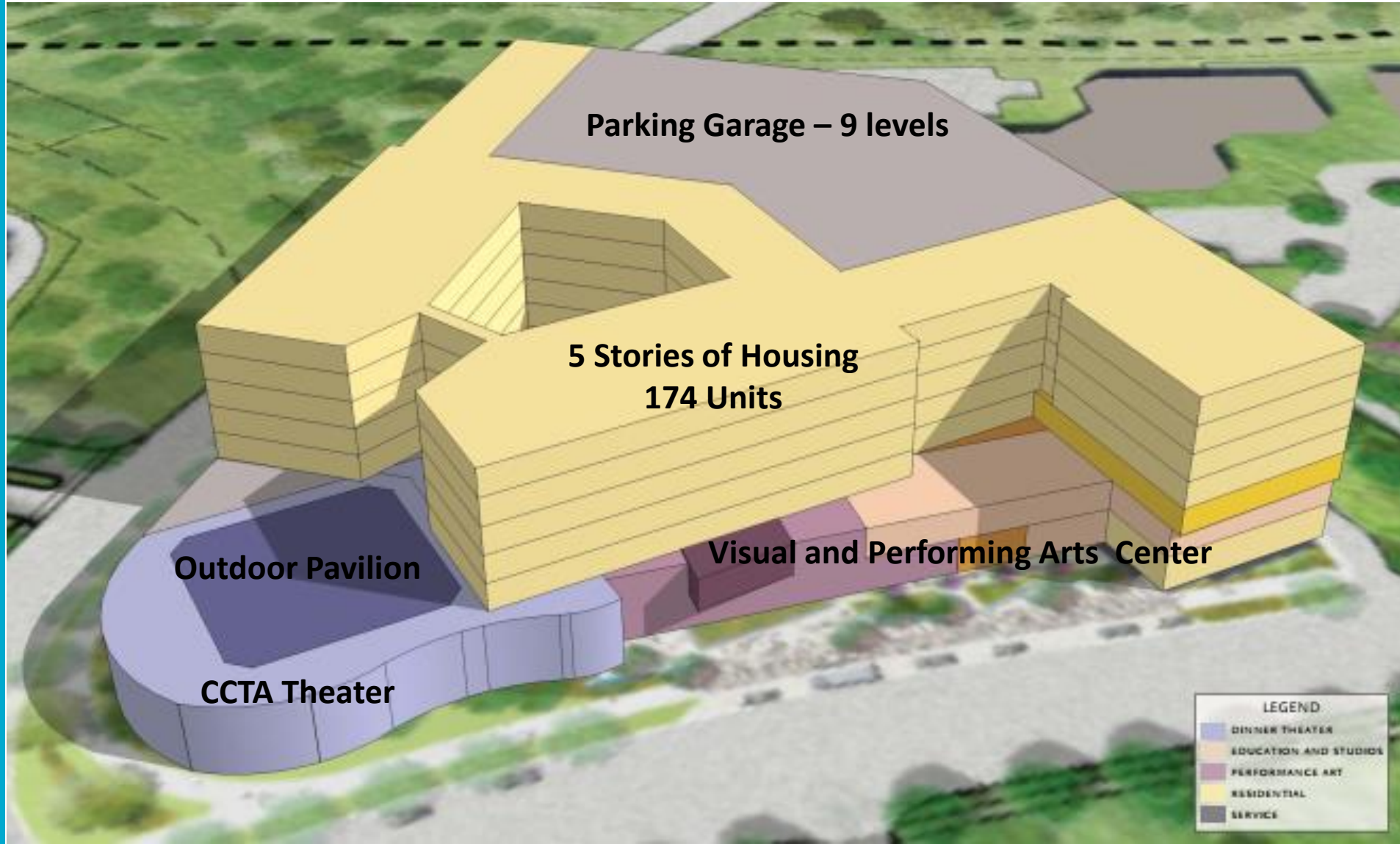
Phase 1B – Construction of NCC and Parking Garage

- Construct Visual and Performing Arts center and balance of CCTA space
- Continue construction of parking garage



Phase 2 – Construction of Apartment Building (Artists Flats)

- Construct housing on top of completed NCC
- Complete construction of parking garage



NCC - Exterior



Front View - From Symphony Wood Road



NCC Entrance

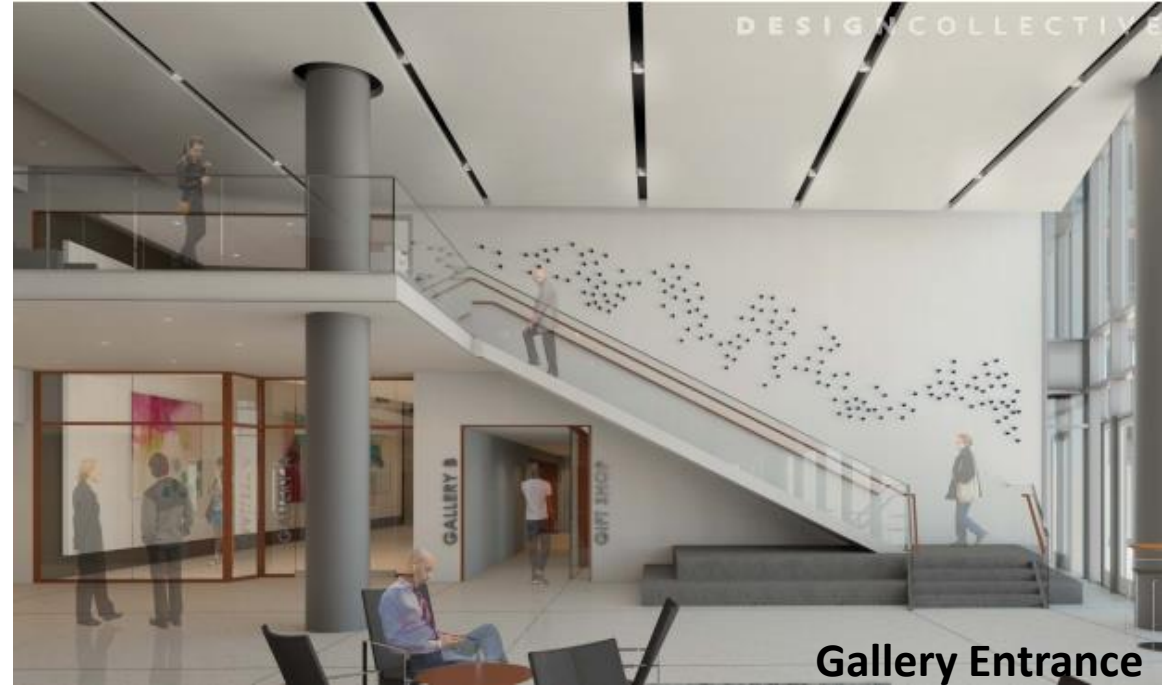


Side/Rear View

NCC - Interior



Lobby



Gallery Entrance

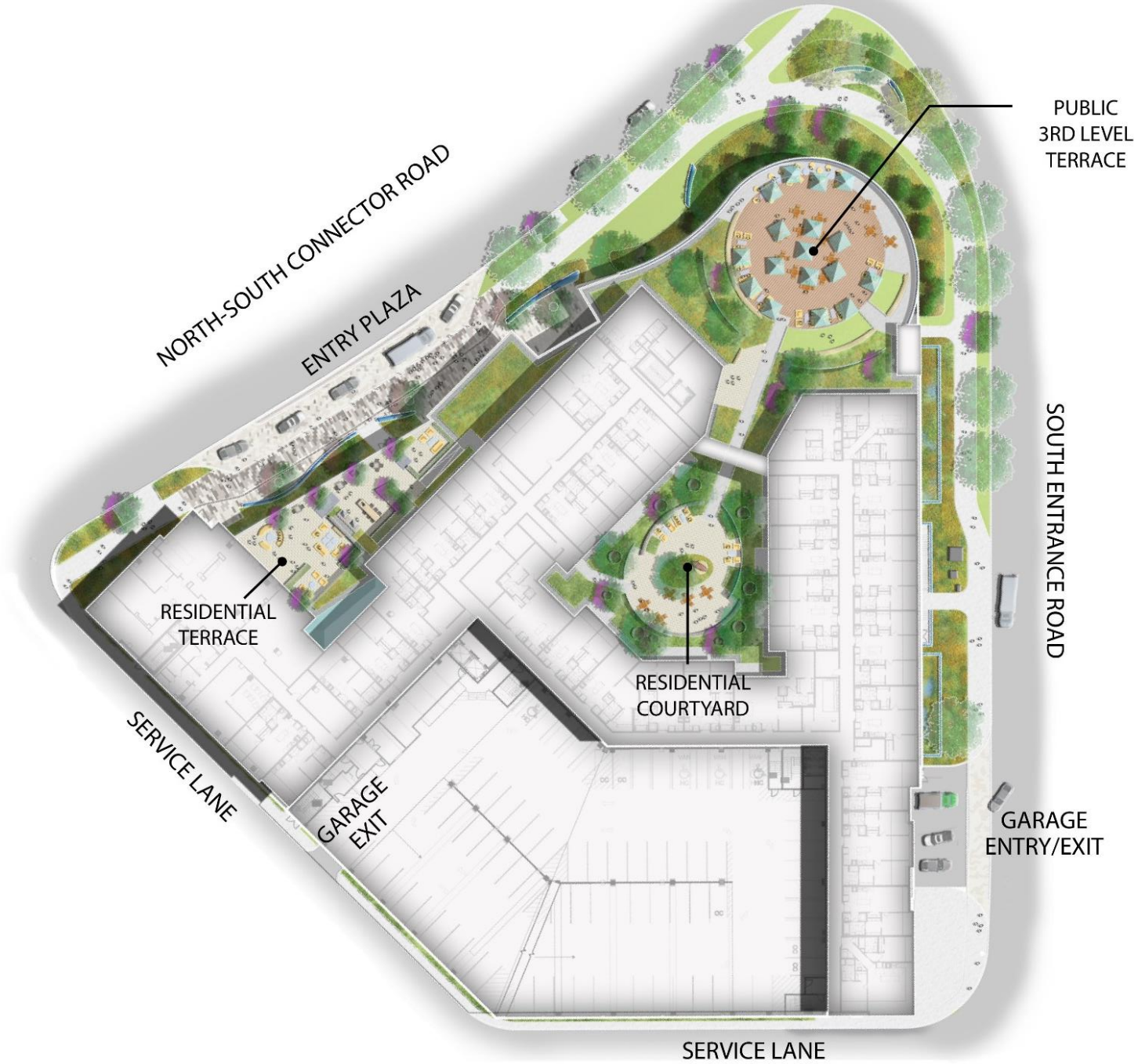


Outdoor Pavilion for Special Events

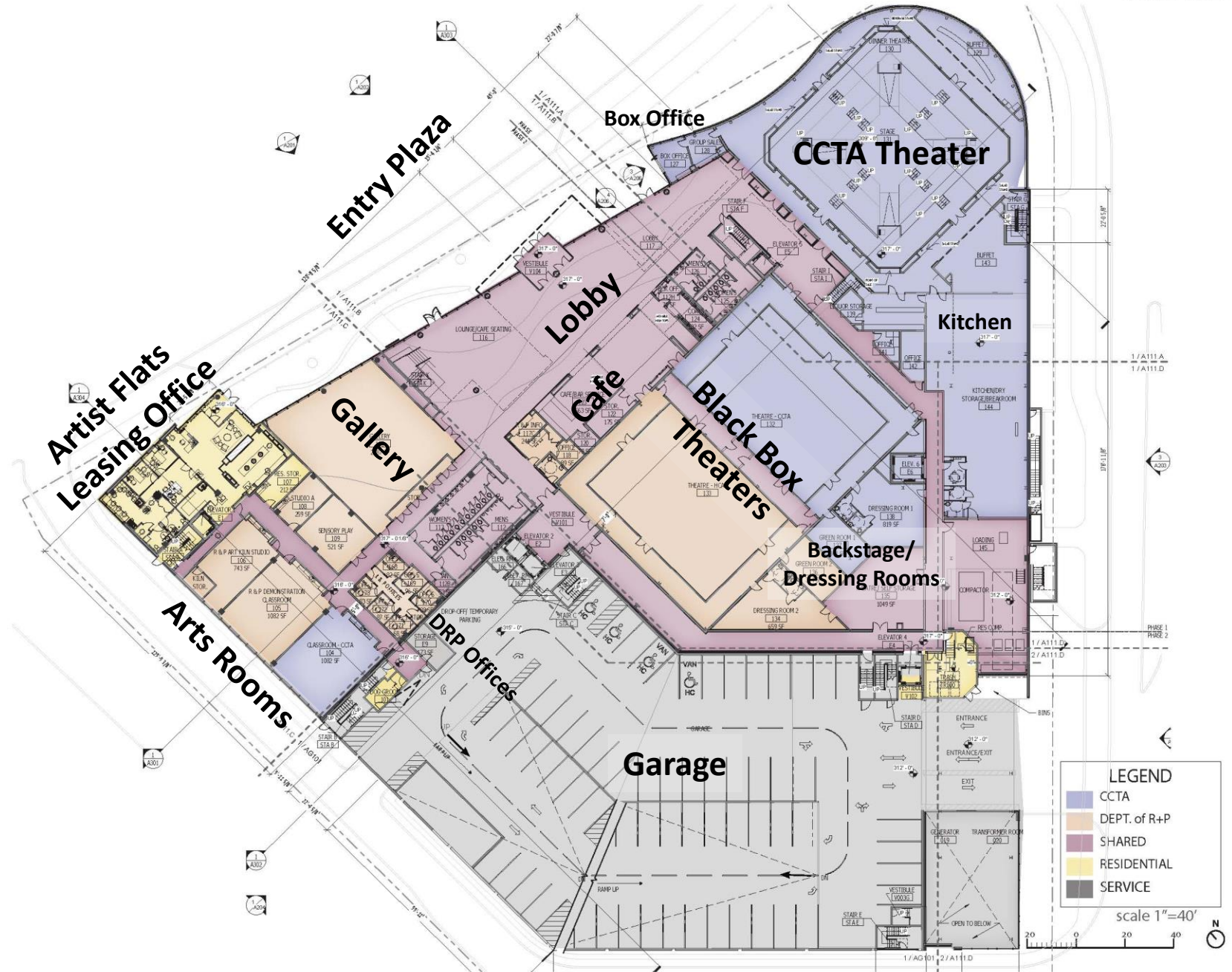


Dinner Theater Entrance

NCC – Site Plan



NCC - Floor 1

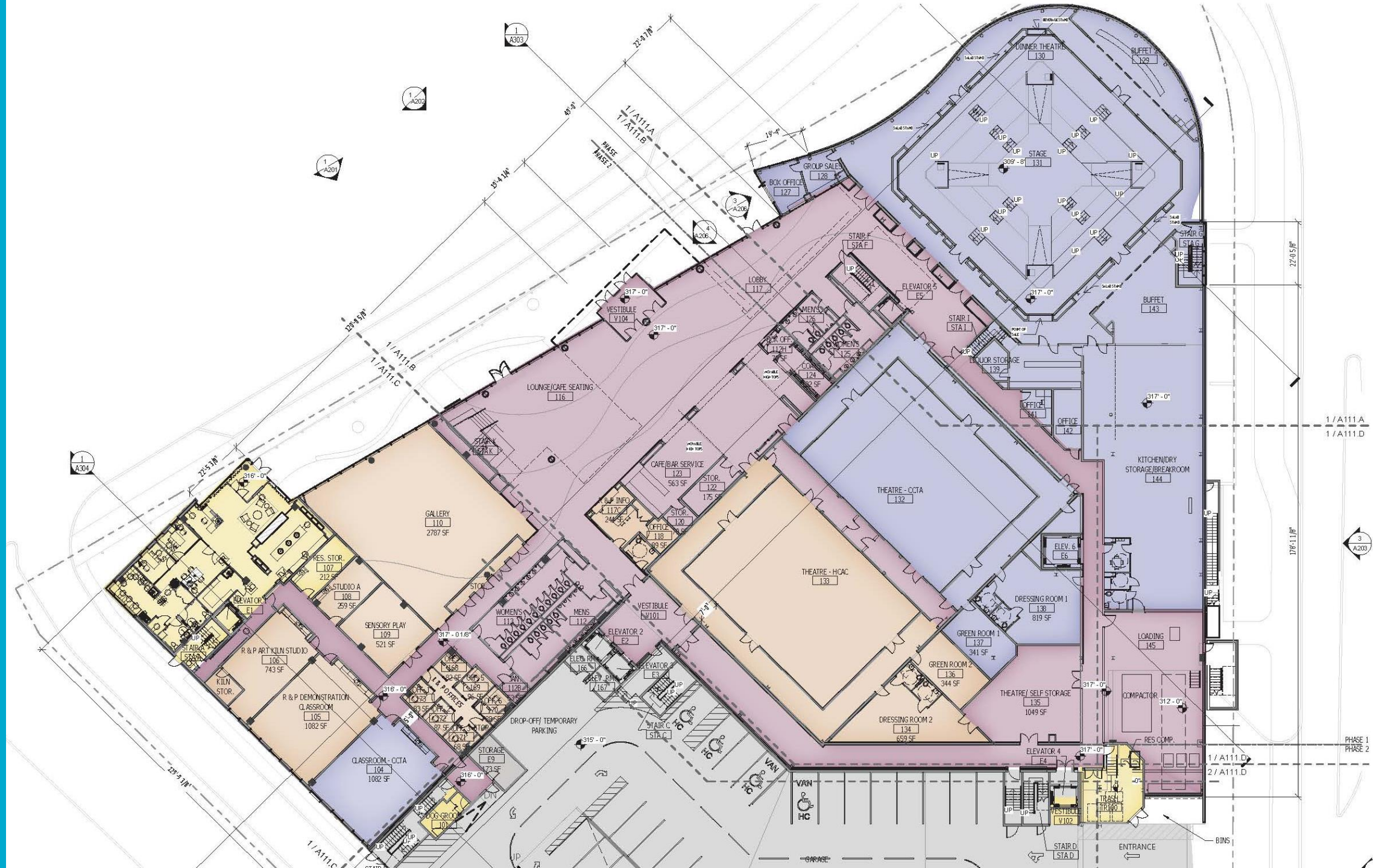


LEGEND

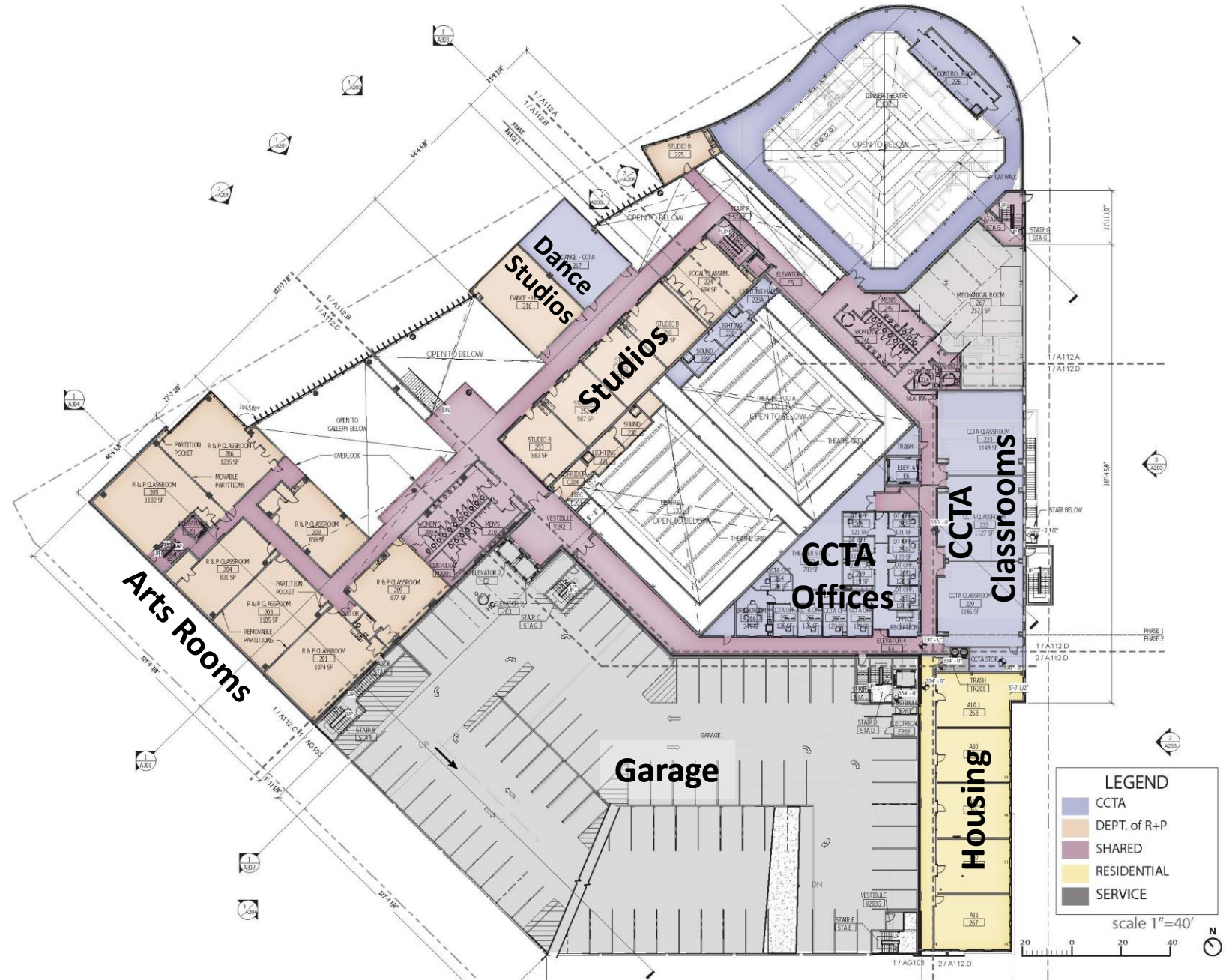
Blue	CCTA
Orange	DEPT. of R+P
Purple	SHARED
Yellow	RESIDENTIAL
Grey	SERVICE

scale 1"=40'

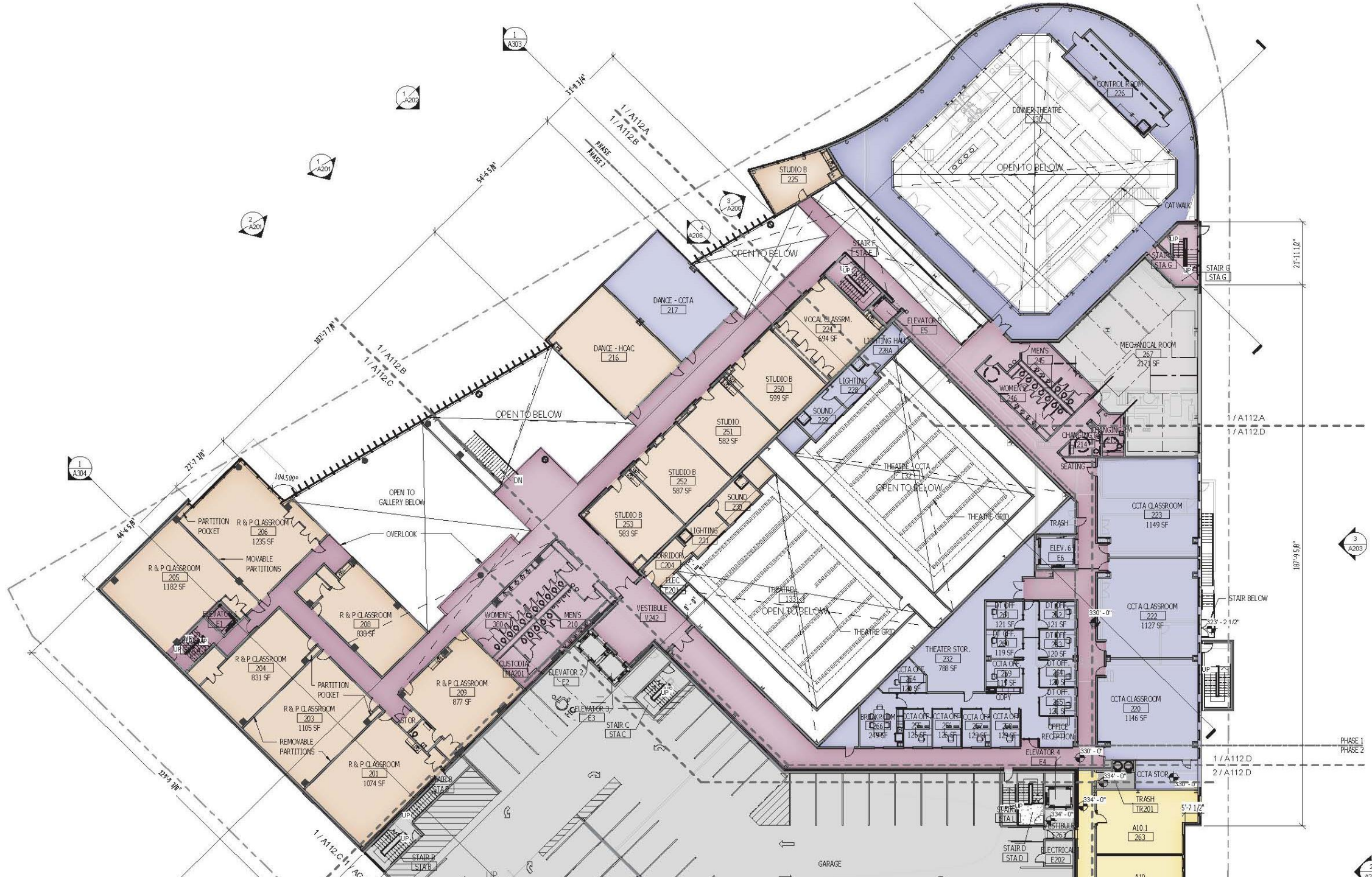
NCC - Floor 1



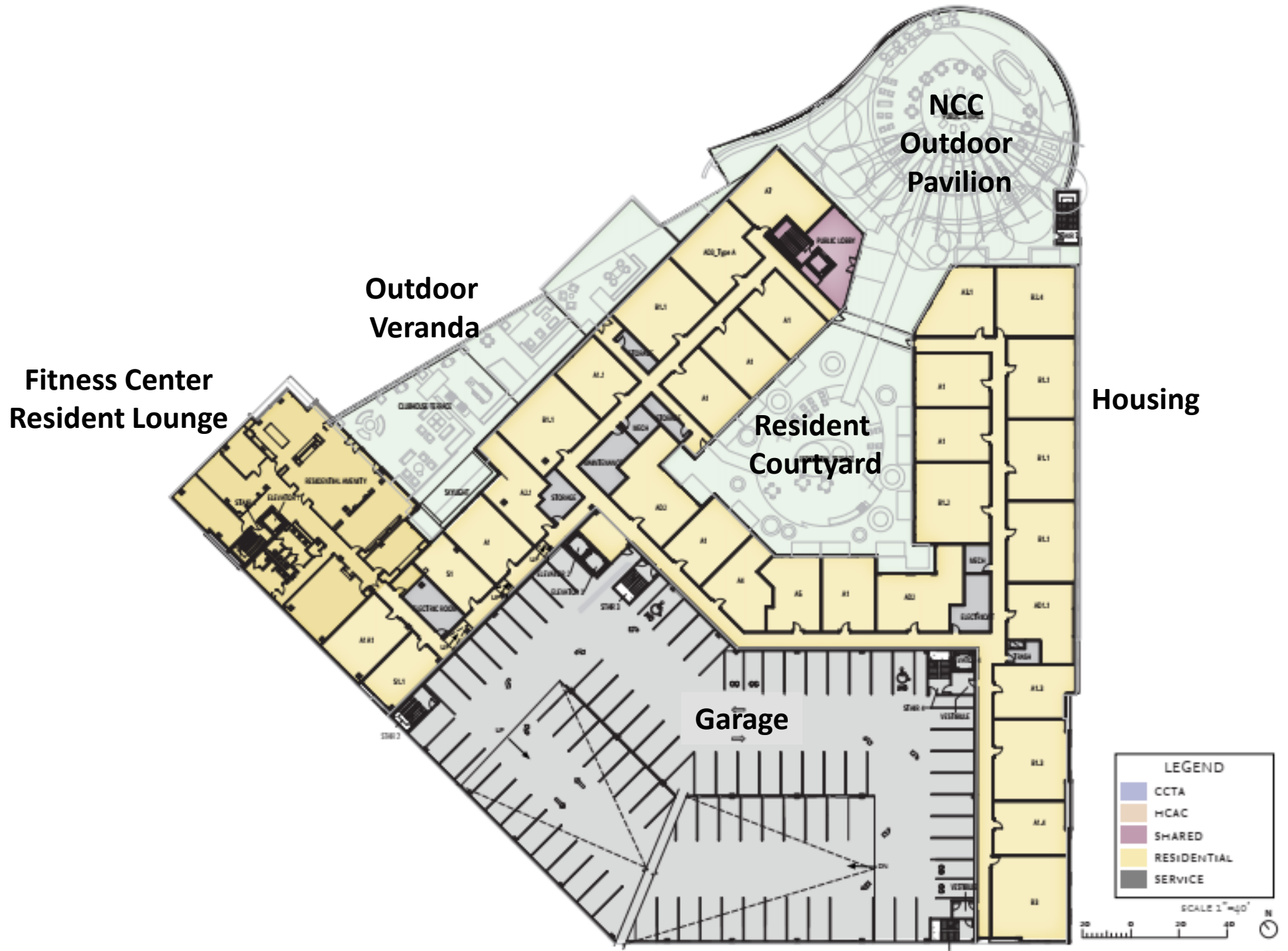
NCC - Floor 2



NCC - Floor 2



Artists Flats Floors 3-7



Artists Flats Housing and Parking Program

Apartment Building – Part of Floor 1 and 2, Floors 3 to 7

- 174 Units – Some units in rear of building on Floor 2, most on Floors 3 to 7
- Mix of 1, 2, & 3 bedroom units
 - 87 affordable
 - 87 market rate
- Lobby & Leasing Office – Floor 1
- Fitness Center / Resident Lounge – Floor 3
- Veranda and Courtyard – Floor 3

Parking Garage – Basement to Level 8

- 740 Parking Spaces
 - 452 spaces on lower levels – New Cultural Center (61%)
 - 288 spaces on upper levels – Residential (39%)

New Cultural Center Cost Overview

Total Project Cost – \$138 million

- **New Cultural Center - \$72.8 million**
(includes portion of parking garage for NCC use)
- **Artists Flats – \$65.2 million**
(includes portion of parking garage for housing use)

Public Meetings

List of public engagement, approval of public bodies

- Final Development Plan - Community Meeting - May 2016
- Final Development Plan - Design Advisory Panel Meeting - June 2016
- Final Development Plan - Planning Board Hearing - January 2017
- Site Development Plan - Community Meeting - February 2017
- Site Development Plan - Design Advisory Panel Meeting - February 2017
- Site Development Plan - Planning Board Meeting - March 2018

Process and Approvals – Current Status

- **Building Design:**
 - Building design and floorplans complete.
 - Must prepare permit submission and construction drawings.
- **County Approvals:**
 - Passed APFO (housing, schools, and roads) August 2016
 - Final Development Plan (FDP) approved April 2017
 - Environmental Concept Plan (ECP) approved February 2017
 - Public Water and Sewer Plans approved May 2018
 - Project deemed Technically Complete in January 2018
 - Site Development Plan approved by the Planning Board in March 2018
 - Traffic study approved as part of the SDP review
- **Additional Environmental Approvals:**
 - Maryland Department of the Environment (MDE) Approval - October 2017
 - FEMA Approval - April 2017

Process and Approvals – Next Steps

Next steps to begin once project funding is authorized

- **Final Construction Drawings:** Complete construction and permit plans, 3 month process.
- **Execute Developer Agreement with County:** Agreement is ready to sign.
- **Submit SDP and Plat Originals:** To be submitted after developer agreement is executed.
- **Permit Submission:** 2 to 3 month process for County review and approval.

Housing Funding Deadlines:

- LIHTC and State funds awarded 2019.
- LIHTC Completion Deadline: Project must be completed before end of 2024.

Construction Schedule

Assumes Approval of Funding in Early October 2020

- **Spring 2021** – Construction begins, CCTA Theater and parking garage
- **Fall 2022** – CCTA Theater complete, Toby's closes and moves into new building
- **Late Fall 2022** – Construction begins on balance of New Cultural Center
- **Late Fall 2023** – Shell of New Cultural completed, construction of housing begins
- **Summer 2024** – Construction of New Cultural Center complete
- **Fall 2024** – Construction of housing complete. Project completed
- **End of 2024** – LIHTC Deadline met

New Cultural Center Costs Development Budget and Bond Pricing



New Cultural Center – Capital Budget

Current Budget

	NCC	Garage	Total
Hard Costs	\$47,445,481	\$12,994,664	\$60,440,145
Land	\$4,323,000	\$0	\$4,323,000
FF&E	\$1,164,250	\$0	\$1,164,250
Soft Costs	\$5,876,293	\$0	\$5,876,293
Financing Costs	\$957,372	\$111,559	\$1,068,931
Total	\$59,766,396	\$13,106,223	\$72,872,619

Measures to Reduce Cost by \$7 million

	NCC	Garage	Total	Cumulative Savings
Arcadis / Whiting-Turner Repricing	\$3,066,255	\$0	\$3,066,255	\$3,066,255
Eliminate 120 Parking Spaces	\$0	\$2,677,875	\$2,677,875	\$5,744,130
FF&E Paid through DRP Budget	\$569,000	\$0	\$569,000	\$6,313,130
Defer Portion of Developer Fee	\$686,870	\$0	\$686,870	\$7,000,000
Total	\$4,322,125	\$ 2,677,875	\$7,000,000	\$7,000,000

Capital Budget – Key Elements / Questions

- **Can lobby cost be reduced?** - Would require a significant redesign with minimal savings. Lobby is sized to accommodate flow of patrons for Theater and New Cultural Center events. It can also be rented for functions to generate revenue.
- **Who is paying for kitchen fit out?** – CCTA to pay for majority of fit out.
- **Who is paying for theater fit out?** – Shared between CCTA and Capital Budget.
- **What is CCTA contribution?** – CCTA to pay ~ \$1 million for final fit out.
- **What are potential Covid impacts/adjustments?**
Team is exploring measures including:
 - Higher number of air changes on mechanical systems to improve air quality
 - Higher grade filtration of air in HVAC systems
 - Use of antimicrobial finish materials in public areas
 - Ensuring physical spaces are flexible to accommodate de-densification of populations – i.e. flexible room arrangements to accommodate social distancing

New Cultural Center Financing Overview

Original Proposed Structure - Total Sources of \$73.3 million

- Howard County GO Bonds: \$62 million
 - \$28 million supported through CCTA Lease / DRP revenue
 - \$34 million supported through Downtown TIF revenue
- TIF Bonds for Parking Garage: \$9.8 million
- State grant: \$500,000
- Personal donation: \$1 million

Revenue Projection from NCC

- Annual Revenue: \$1,677,550 Total (Based on stabilized operations in 2027)
 - CCTA Lease: \$808,550, rises by 3% annually (\$785,000 rent in 2026 base year)
 - Recreation and Parks Revenue: \$869,000, **no escalation in underwriting**

GO Bonds	TIF Revenue	NCC Revenue	Total
Loan Amount	\$34,000,000	\$28,000,000	\$62,000,000
Rate	4.50%	4.50%	4.50%
Term of Loan (months)	240	240	240
Annual Debt Service	\$2,596,062	\$2,137,933	\$4,733,995
Annual Revenue	\$2,596,062	\$1,677,550	\$4,258,759

Bond Financing Options – Reduce Interest Rate & Project Cost

Reduce Interest Rate Assumptions

- May 2020 County bond issuance averaged 2.42% interest rate.
- Rates have continued to fall and are near historic lows.

Reduce Project Costs and Bond Amount

- Project Cost may be reduced by up to \$7 million.
- Reduce Lease Revenue portion of bonds from \$28 to \$21 million.

Bond Financing

Bond Financing Options – Reduce Interest Rate & Project Cost

	4.5% Interest Rate	3.0% Interest Rate	2.0% Interest Rate
TIF Revenue			
Loan Amount	\$34,000,000	\$34,000,000	\$34,000,000
Interest Rate	4.50%	3.00%	2.00%
Annual Payment	\$2,596,062	\$2,262,758	\$2,064,004
Annual Revenue	\$2,596,062	\$2,596,062	\$2,596,062
Balance (Revenue - Payment)	\$0	\$333,304	\$532,058
Lease Revenue			
Loan Amount	\$21,000,000	\$21,000,000	\$21,000,000
Interest Rate	4.50%	3.00%	2.00%
Annual Payment	\$1,594,276	\$1,397,586	\$1,274,826
Annual Revenue	\$1,677,550	\$1,677,550	\$1,677,550
Balance (Revenue - Payment)	\$83,274	\$279,964	\$402,724
Totals			
Total Bonds	\$55,000,000	\$55,000,000	\$55,000,000
Total Payment	\$4,175,486	\$3,660,344	\$3,338,830
Total Revenue	\$4,273,612	\$4,273,612	\$4,273,612
Balance (Revenue - Payment)	\$83,274	\$613,268	\$934,782

Bond Financing Options – Allocate More Bond Debt to TIF Revenue

Reduce Amount of Bonds Supported by NCC Revenue

- Underwrite using only CCTA lease revenue - \$808,550 in 2027
- Dept. of Recreation and Parks Annual Revenue of \$869,000 can be used for a project reserve account or to offset operating expenses
- Amount of debt to be supported by NCC revenue varies by interest rate

Increase Amount of Bonds Supported by TIF Revenue

- Increase amount of bonds supported by TIF revenue to compensate for reduction of bonds supported by NCC revenue
- Amount of additional TIF revenue required for debt service varies by interest rate and bond amount

Bond Financing Options – Allocate More Bond Debt to TIF Revenue

	4.5% Interest Rate	3.0% Interest Rate	2.0% Interest Rate
TIF Revenue			
Loan Amount	\$45,000,000	\$43,000,000	\$42,000,000
Interest Rate	4.50%	3.00%	2.00%
Annual Payment	\$3,416,307	\$2,861,724	\$2,549,652
Annual Revenue	\$3,416,307	\$2,861,724	\$2,549,652
Additional TIF Revenue Needed	\$820,245	\$265,662	\$(46,410)
Lease Revenue			
Loan Amount	\$10,000,000	\$12,000,000	\$13,000,000
Interest Rate	4.50%	3.00%	2.00%
Annual Payment	\$759,179	\$798,621	\$789,178
Annual Revenue	\$808,550	\$808,550	\$808,550
Balance (Revenue - Payment)	\$49,371	\$9,929	\$19,372
Totals			
Total Bonds	\$55,000,000	\$55,000,000	\$55,000,000
Total Payment	\$4,175,486	\$3,660,344	\$3,338,830
Total Revenue	\$4,224,857	\$3,670,274	\$3,358,202
Balance (Revenue - Payment)	\$ 49,371	\$9,929	\$19,372

Bond Financing Options – Impact of Using Additional TIF Revenue

- Amount of additional TIF Revenue that would be needed is dependent on interest rates:
 - 4.5% - Requires \$820,245 additional revenue per year
 - 3.0% - Requires \$265,662 additional revenue per year
 - 2.0% - Requires no additional revenue per year
- Committing additional TIF Revenue to NCC will reduce amount available for future Downtown projects
- Projected Impact of Using Additional TIF Revenue at 3.0% Interest Rate:
 - Library construction delayed 1 year to 2026 or Banneker Fire Station construction delayed 1 year to 2029
 - Schedule is not impacted for other projects

New Cultural Center

Opportunity for Public Comment



Future Working Group Meetings and Topics

- **Meeting #2 – NCC Programming & Operations**
July 30 – 3 to 5 pm
- **Meeting #3 – Housing Issues, Compliance Issues, and General Oversight**
August 11 – 3 to 5 pm
- **Housing Affordability Public Forum**
September – Date and Time TBD



**New Cultural Center & Artists Flats
Conclude July 16, 2020 Working Group**