



Privatized Development for the Public Sector

February 8, 2018

Mr. Dennis L. Marker, AICP, MPA
City Manager
City of Caribou
25 High Street
Caribou, ME 04736

Office Locations:

Los Angeles (HQ)
Chicago
Dallas
Miami
Washington DC

Dear Mr. Marker:

It was a pleasure speaking with you regarding Caribou's proposed development of a joint-use public safety facility to include police, fire, and ambulance services. As we discussed, PFIC is a nationwide developer that specializes in the privatized development and tax-exempt leaseback financing of fire stations and public safety facilities for cities, counties and states. To date, we have completed over 200 public and private projects in 96 cities in 36 states.

As the Developer, we offer a full range of comprehensive services that satisfy every aspect of development from programming & planning to occupancy. Our specialized New England-based development team includes the architect, contractor, and financing from the beginning of the development and remains in close contact throughout the entire project so that every step is anticipated, managed, and resolved in a professional manner.

Our program is broken down into four phases:

1. Preliminary Programming, Planning, and Development Analysis

- We will work with you and your selected building committee to determine the exact specifications and facility needs for the proposed joint-use facility. We can work with Port City Architects for the preliminary design of the project and taking into consideration the findings of their recently completed needs assessment.
- We will analyze various site layouts, design, and development options available to the City and determine the most cost effective and efficient plan for the facility. We can assist the City with site location as well as negotiate and acquire the site on behalf of the City. We can include funds for the purchase in the tax-exempt leaseback financing package.

Public Facilities Investment Corporation

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- We will ensure that the project meets the programming needs of the police and fire departments while adhering to the budget requirements of the City. We will ensure that the facility accommodates any expected growth within the City, future staffing needs, and response time requirements.
- As preliminary design work is underway, PFIC will monitor and update the estimated project budget and resultant lease payments the City should expect to pay based on the estimated construction cost. PFIC and the selected architect will provide design options/alternatives that will allow the City to match the design needs with its required budget.
- Upon completion of the programming and planning phase, the City will have a clear understanding of the space needs, facility requirements, and development plan for the project.

2. Design

- Actual design of the facilities will commence. We work directly with the City's selected building committee and stakeholders to ensure the space needs determined in the planning & programming phase are met.
- The design phase will be broken up into three sections: Schematic, Design Development and Construction Development. During each phase, we review the estimated construction cost to ensure that the project remains within a budget acceptable to the City.
- The City will have complete control over all design and budget decisions for the project.

3. Construction

- We can work with 1) your preferred general contractor; 2) our New England-based contractors who have public safety construction experience; or 3) bid out the construction to qualified, independent general contractors.
- Our team will ensure that the selected contractor is qualified to complete the project safely, on budget, and on time.
- Our construction partners have exceptional relationships with the local trades and subcontractors which will achieve the best construction cost for the project.

- The construction budget will be a guaranteed maximum price bonded for performance, materials and labor.

4. Financing

- PFIC will locate tax-exempt leaseback financing for 100% of the project cost for a period up to 30 years. The City can also own the facilities upon completion of construction and/or provide its own financing for the project if desired.
- Upon expiration of the lease or early payoff of the financing, title to the project will transfer to the City for \$1.00.
- The lease payments will remain flat throughout the life of the lease.
- The lease payments can be made subject to annual appropriation of the City Council.
- The project will be funded prior to construction and the City will not be required to make any lease payments until construction completion and it takes occupancy of the projects.
- All fees and expenses of professionals (including architectural, legal, engineering, and environmental), construction interest, cost of construction, site work, cost of issuance, development, consultant and program management fees and all other costs for the project will be included in the total financing package.
- The financing can also include funding for furniture, fixtures, equipment, technology, and apparatus.

The end result of our development program is that the design, construction and financing risk is transferred from the City to the private sector. Our experience with public/private partnerships is the foundation that allows us to address your concerns and goals, efficiently manage the development process, and create a project of which you and the community can be proud.

Our program provides the City with the following advantages:

- Integrated Project Delivery (IPD) approach promotes reduced construction and lifecycle cost through savings from innovations and efficiencies in design. Rather than each participant focusing exclusively on their part of construction without considering the implications on the whole process, the IPD method brings all

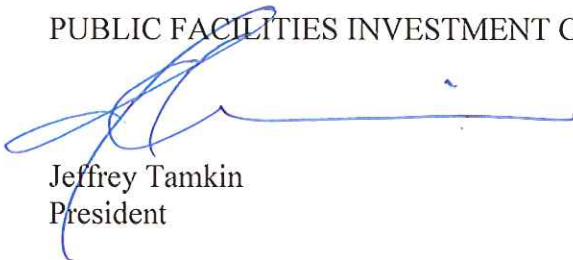
participants together early in a collaborative process to maximize value for the owner.

- Financial obligation of the City (i.e. lease payment) does not commence until project is delivered and ready to be used.
- Shifts construction and schedule risks to development team.
- Maintains financial benefits of tax-exempt bond financing.
- Accelerated schedules enabled by concurrent design, entitlement and cost estimating.
- Enables public and private sectors to focus on their core competencies: the private sector in designing, building and financing and the public sector in focusing on crucial areas such as public safety, fire protection, and community service.

We look forward to meeting with you in Caribou and are excited to move forward on this important project.

With kindest regards,

PUBLIC FACILITIES INVESTMENT CORPORATION

A handwritten signature in blue ink, appearing to read "Jeffrey Tamkin", with a long horizontal flourish extending to the right.

Jeffrey Tamkin
President