



**To:** Durham County Board of Commissioners  
**From:** Sarah Odio, Project Manager, Development Finance Initiative  
Marcia Perritt, Associate Director, Development Finance Initiative  
**Date:** April 8, 2019  
**Re:** *Summary of responses to 300 & 500 East Main Solicitation for Development Partner Proposals and next steps*

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## BACKGROUND

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Durham County engaged the Development Finance Initiative (DFI) in June 2017 to provide pre-development services for two County-owned sites on the 300 and 500 blocks of East Main Street. The pre-development process involved several key components – public engagement, a parcel analysis to understand current conditions in downtown, a site-specific market analysis, site planning, and a financial feasibility analysis. The pre-development process resulted in a final development program that met both public and private sector interests.

The next step in this process, the subject of this memo, is to support the County in identifying the right partner (or partners) to realize its vision for the 300 and 500 East Main sites.

For more information on this project, please visit [www.dconnc.gov/EMainSt](http://www.dconnc.gov/EMainSt).

## DEVELOPMENT PARTNER SOLICITATION

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On January 14, 2019, Durham County and DFI released the Solicitation for Development Partner Proposals (SDP) for the redevelopment of the 300 and 500 blocks of East Main Street. The Solicitation was publicly available and posted on the County and DFI's websites. DFI also directly engaged and shared the opportunity with a total of 65 firms, primarily qualified multi-family, commercial and affordable housing developers but also local architects and general contractors with experience in related development. The Durham County Purchasing Division distributed the document to registered vendors.

DFI was available throughout the process to answer any questions and help all potential development teams understand the guiding public interests and respond to the County's requirements.

### Responses Submitted

The deadline for submissions was April 5, 2019, at 5pm. The following are the lead developers for the nine development teams that submitted proposals, identified alphabetically and by the block for which they have submitted:

### Both 300 and 500 block

- Brinshore Development
- Community Housing Partners
- DHIC, Inc. and Blue Heron Asset Management
- Flaherty & Collins Properties
- Laurel Street Residential and ZOM Living
- The NRP Group
- Quality of Life Consortium
- WinnCompanies

### 300 Block – Pad A

- Conifer Real Estate Development

## EVALUATION CRITERIA

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The following is the evaluation criteria outlined in the SDP as endorsed by the BOCC:

Durham County and DFI will consider each response as a whole in the decision-making process. The following evaluation criteria will be prioritized:

- Alignment with the guiding public interests listed under the section titled “Public Interests” in the SDP.
- Qualifications and experience of the development team, with preference given to experience with the type of development proposed by the team. In addition, experience executing projects that fulfill public interests similar to those endorsed by Durham County. Furthermore,
  - If Pad 300 or 500-A, proof of development partner’s eligibility for LIHTC awards in North Carolina.
  - If Pad 500-M, emphasis on strong track record of developing successful ground floor commercial in a downtown setting.
- Ability to meet or exceed the goals set by the County’s MWBE Program Ordinance (included in Appendix of the SDP)
- References from previous local government partners, if any.
- Ability to meet or exceed the residential density specified in the development plan identified in the SDP
- Ability to execute the project(s) within the County’s proposed timeline
- Inclusion of assumptions that reflect market conditions.

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

- Public space amenities i.e. public art, pocket parks, etc.
- Inclusion of a daycare or Pre-K space in Pad 500-M that meets all State requirements.

The SDP is available on the project website at [www.dconc.gov/EMainSt](http://www.dconc.gov/EMainSt).

## NEXT STEPS

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Over the next six weeks, DFI will work with Durham County staff to conduct due diligence on the responses received in order to evaluate which proposals, if any, best meet the evaluation criteria.

The Durham Board of County Commissioners (BOCC) will then have an opportunity to review DFI and staff's evaluation and determine if it is satisfied with the proposals submitted and whether commissioners require additional information to identify leading candidates.

The proposals and any supporting documentation gathered during the due diligence period, excluding confidential information protected as trade secrets, will be made publicly available on the project website in advance of the first meeting in which the BOCC will be asked to endorse a preferred partner or partners (date to be determined). The Board will direct staff to enter into negotiations for a Memorandum of Understanding (MOU) with the endorsed partner or partners. The BOCC may require more than one meeting to reach a consensus.

DFI will aim to provide a public update at the June 3, 2019, work session; however, this timeline is subject to change.

As stated in the SDP, a developer partner or partners should expect to enter into negotiations in the second or third quarter of 2019, although the BOCC has the option to expedite or delay the timeline.

For additional information regarding the evaluation and due diligence process, please contact Sarah Odio at [odio@soq.unc.edu](mailto:odio@soq.unc.edu).

*DFI, a program of the University of North Carolina Chapel Hill's School of Government, partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise.*