



300 & 500 East Main St. Redevelopment Staff Update

October 7, 2019

Presented for Consideration by Durham County Engineering and Environmental Services, Project Management Division

Guiding Public Interests

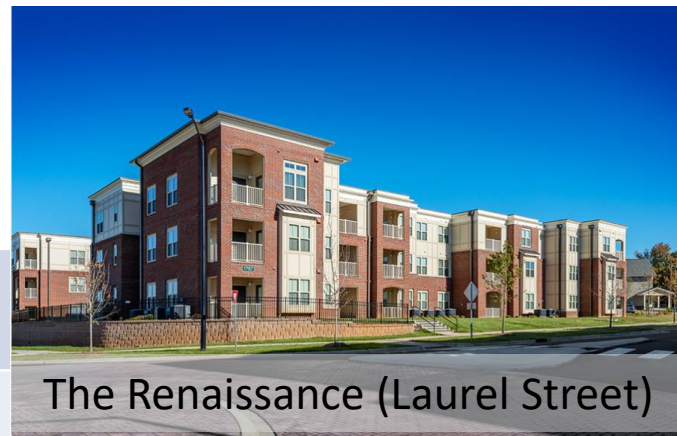
New development on these sites should:

- provide a parking solution that will address Durham County employee and Health & Human Service facility customer needs and meet new demand created by the project, recognizing the proximity of the future light rail station and incorporating options for multiples modes of transportation;
- increase the availability of affordable housing in downtown Durham for households earning 80% Area Median Income (AMI) and below in a mixed income and multi-generational setting;
- provide ground-floor commercial and service offerings for tenants and workers in and around the sites and increase activity along E. Main Street;
- efficiently use public investment to maximize public benefits and attract private investment; and
- focus on pedestrian-scale design that creates a vibrant, urban streetscape along E. Main Street.

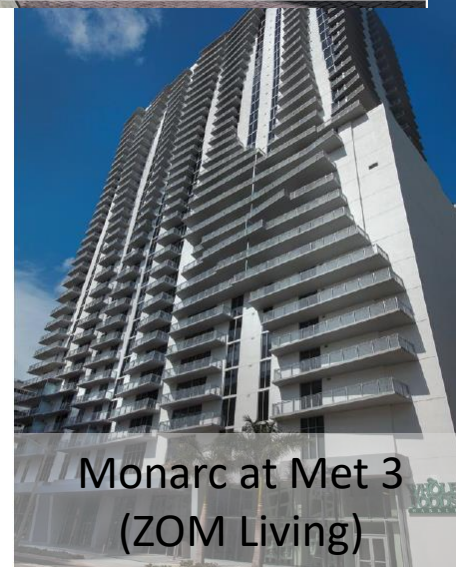


DEVELOPMENT TEAM

Lead Developers	Laurel Street Residential ZOM Living
Local Development Consultant	Ashley's Corner, LLC
Architect	Little Diversified Neighboring Concepts
Engineering	Stewart
Legal	The Banks Law Firm
Construction	WeaverCooke Balfour Beatty Harmon Construction Local M/WBE (TBD)



The Renaissance (Laurel Street)



Monarc at Met 3
(ZOM Living)



LAUREL STREET/ZOM DEVELOPMENT PROPOSAL

	Solicitation	Laurel Street
Affordable Units (<80% AMI)*	277 units 300-A: 97 units 500-A: 180 units	305 units 300-A: 105 units 500-A: 200 units
Market Units	500: 160 units	500: 250 units
Total Units	477 units	555 units
Total County Loan/Grant Requested**	\$9.5M	\$9.5M
Requested Loan/Grant per Unit	\$34,000	\$31,000
Land Purchase Price***	\$1.6M	\$2.6M

*Affordable unit count may change once designs are finalized. Will likely still exceed solicitation estimate.

**Does not account for parking development

***Purchase price for market-rate land only



LAUREL STREET/ZOM HIGHLIGHTS

- Highly qualified team with demonstrated experience in mixed-income, mixed-use development in urban, infill setting
- Fully-funded proposal
- Long history of exceeding MWBE goals
 - In addition, Laurel Street is MWBE
- Committed to securing and nurturing social impact businesses in 500 block commercial – identifying businesses desired by community and offering below market rents
- Committed to identifying daycare provider for 300 block
- Local development knowledge and experience



IN PROGRESS

- Memorandum of Understanding (MOU) negotiations.
An MOU is a nonbinding agreement between the County and each development partner outlining each parties' requirements and responsibilities.
It will establish developer and County milestones that must be reached before a development agreement can be executed.
- Staff negotiate with preferred partner(s) and return to BOCC with recommended MOU(s). The MOU must be approved by the BOCC.
- The County Attorney's office has selected Anthony Fox (Parker Poe) to represent Durham County through this development.



Opportunities for Public Input

“Meet the Developer” sessions hosted by County

- **Saturday, November 2, 2019 at 10 AM** at the Holton Career and Resource Center located at 401 N. Driver St. Durham NC
- **Tuesday, November 12, 2019 at 7PM** at the Durham County Human Services Facility located at 414 E. Main St. Durham NC



Upcoming Parking Discussions

- Little Diversified Architectural and County Engineering will hold informal discussions with the BOCC during the October one on one meetings with the County Manager.
- Staff's intent is to discuss this more formally with the full Board at the November 4, 2019 WS.
- It is important to note that the entire schedule for the redevelopment is contingent on staff being able to proceed with the 300 Block deck in a timely manner in order to meet anticipated milestones.



Milestone Dates for Inclusion in the MOU

The milestone dates below are based on the assumption that Durham County will design, permit, and start construction on the 300 East Parking Deck by Summer 2020 with completion of the 300 East Parking Deck before the end of 2021. The dates are also based on the assumption that once the 300 East Parking Deck is open and operational, construction can begin on the 300 East Affordable Housing and all components of the 500 Block.

Target date to submit preliminary tax-credit applications – ***1/24/2020***

Target date to submit full tax-credit applications – ***5/15/2020***

Target date to receive Inducement Resolution from DHA for tax-exempt bonds – ***5/15/2020***

Target date to receive project-based voucher agreement commitment from DHA – ***5/15/2020***



Milestone Dates for Inclusion in the MOU- continued

Target date to secure term sheets from lenders and investors

300 Affordable – **3/31/2021**

500 Affordable - **6/30/2021**

500 Market - **6/30/2021**

Target Date to secure required permits

300 Affordable – **9/30/2021**

500 Affordable – **12/31/2021**

500 Market – **12/31/2021**

Target Date for execution of construction contracts

300 Affordable – **9/30/2021**

500 Affordable – **12/31/2021**

500 Market – **12/31/2021**



Milestone Dates for Inclusion in the MOU – Continued TBD

Target Date to provide an update on the feasibility of a grocery store on the site

Target Date to give an update on our MWBE Plan with the formal plan to be part of the Development Agreement

Target Date to submit commercial tenant identification plan

Target Date for to execute MOU's with community partners

Frequency of periodic updates to Staff and DFI

Frequency of periodic updates to County Commission



CONCLUSION/DISCUSSION