



Date: January 15, 2026

Durham Public Schools

Board of Education Work Session

PRECIS

Agenda Item: Lowes Grove Former School Site- Phase 1 Feasibility Analysis Proposal

Building Our Future Strategic Plan Priority: 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒

Staff Liaison Present: Kenneth Barnes
Chief Operating Officer

The UNC Chapel Hill School of Government

Phone#: 919-560-2000

Main Points:

- Durham County and Durham Public Schools (DPS) seek to evaluate redevelopment options for the 1.41-acre, Lowe's Grove former school site on South Alston Avenue and surrounding DPS-owned parcels.
- UNC-Chapel Hill's Development Finance Initiative (**DFI**) proposes high-level pre-development feasibility analysis to identify market-supported and financially viable uses capable of attracting private investment.

Fiscal Implications: N/A

Purpose:

Information/Discussion ☒ **Action** ☐ **Consent** ☐

Reviewed by: ☐ **Finance** _____ ☐ **Attorney** _____

MEMORANDUM

To: Claudia Hager, County Manager, Durham County
Dr. Anthony Lewis, Superintendent, Durham Public Schools
Dr. Tanya Giovanni, Deputy Superintendent, Durham Public Schools

From: Marcia Perritt, Director, Development Finance Initiative
Sarah Odio, Associate Director, Development Finance Initiative

Date: December 18, 2025

Re: Proposal to provide Phase 1 Feasibility Analysis services

UNC-Chapel Hill Development Finance Initiative

The UNC Chapel Hill School of Government (SOG) established the Development Finance Initiative (DFI) in 2011 to assist local governments and their partners in North Carolina and beyond with achieving their community economic development goals. The SOG is the largest university-based local government training, advisory, and research organization in the United States. DFI partners with communities to attract private investment for transformative projects by providing specialized finance and real estate development expertise.

Request for Technical Assistance

Durham County and Durham Public Schools (DPS) requested technical assistance from DFI in November 2025 in evaluating the redevelopment potential of a former school site, Lowe's Grove, that presents a strategic opportunity for the County and DPS to their community development goals. The 1.41-acre former Lowe's Grove school site is located at 4505 South Alston Avenue, near Highway 54. DPS owns additional parcels surrounding the Lowe's Grove site; these parcels would also be the subject of DFI's analysis. County and DPS leadership would like to explore a range of redevelopment scenarios for DPS-owned properties in the area that align with their mission and local community development goals.

To that end, DFI is able to assist Durham County and DPS by conducting site-specific high-level pre-development feasibility analysis in order to identify market- and financially viable redevelopment scenarios for the parcels. Due to limitations on the conveyance

powers of School Boards, DFI recommends that Durham County be the contracting entity for this assessment.

Scope of Services

The following Scope of Services outlines the high-level pre-development activities that DFI would conduct to support Durham County and DPS in evaluating the redevelopment potential of the former Lowe's Grove school site, herein referred to as the "Project", and its ability to attract private investment:

1. Conduct a community scan, which is an analysis of market-relevant demographic and socioeconomic data, as well as a review of current and historic plans, visioning documents, studies, research, development proposals, conceptual renderings, notes from public input sessions, and other materials relevant to the Project;
2. Conduct small group community engagement activities (estimate twenty one-on-one and small group conversations) as it relates to stakeholder interests for the Project;
3. Establish priorities to inform potential strategies for redevelopment of the Project in collaboration with the County, DPS, and key stakeholders;
4. Collect and analyze relevant data for a parcel analysis to understand current conditions (sales trends, vacancy, land use, ownership, and underutilization) for the area immediately surrounding the Project;
5. Conduct a market analysis to assess the demand for development for the specific Project site, to include an identification of tailored trade areas and an evaluation of market feasibility and demand drivers for commercial and residential uses in the Project;
6. Conduct a housing needs assessment to identify the scale of demand for specific housing types at various income levels in Durham County. The assessment includes an evaluation of primary demand drivers such as growth and employment trends, as well as an in-depth analysis of the existing housing supply;
7. Conduct a high-level site analysis, examining infrastructure, hydrology, etc., to gain a general understanding of development opportunities and constraints of the Project;
8. Conduct a high-level financial analysis to determine the feasibility of attracting private investment to the Project, including analysis of development finance tools (federal and state tax credits, district designations, etc.); and
9. Based on this analysis, evaluate the general redevelopment potential of the Project and make recommendations to the County and DPS regarding next steps.

This Scope of Services does not include services that require a licensed broker, licensed appraiser, or licensed attorney to perform. In addition, the scope does not include tasks associated with site planning expertise from architects or engineers, nor does it include site preparation expenses such as land survey, geotechnical analysis, and environmental testing (if such services are required, DFI will advise the County and DPS to obtain such services from third parties).

Deliverables

Deliverables include presentations, summaries, and other documentation intended by DFI to be delivered to Durham County and Durham Public Schools regarding the above Scope of Services.

Timeline

The timeline for completing the above Scope of Services is estimated to be 5 to 6 months.

Fee

The flat fee for the above Scope of Services is \$72,400. The flat fee is payable over two installments of \$36,200 each, if desired.

Potential for Future Phase 2: Additional Feasibility Analysis & Identification of a Private Development Partner

Pending the outcome of this analysis and the County's interest, DFI is able to provide additional pre-development services for the Project, including further financial feasibility analysis and the identification of a private development partner. Phase 2 services would require a separate contract and fee, but pricing would reflect efficiencies gained from work already performed so long as DFI is engaged within one year following the completion of this Scope of Services.