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ANNUAL REPORT

Chapel Hill Downtown Partnership * 308 West Rosemary Street * Chapel Hill, North Carolina * (T) 919-967-9440 * (F) 919-967-9475

**2006-2007
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**Special Thanks to
2004-2006**

Board Members :

Allen Fine

Betty Kenan

Roger Perry

Nancy Sutfenfield

**for their leadership in
developing the Chapel Hill
Downtown Partnership.**

Letter from the Chair of the Downtown Partnership Board

2006 is a year that represents strength and momentum for the Chapel Hill Downtown Partnership and the downtown district.

The Downtown Partnership Board of Directors had much work to do in the first-half of the year to establish strong guiding principles and best practice policies for the nonprofit corporation charged with leading and managing downtown Chapel Hill. Now established as an IRS recognized 501(c) 3 corporation, the organization is getting to the business at hand of addressing the basic needs of downtown. Identified through surveys as cleanliness, safety, panhandling, homelessness and parking, the organization has been working throughout

the year to improve the downtown environment. We're changing the economic potential by improving the environment in order to attract more people to shop, play, work and live downtown.

Although there is still much work to be done, the creation of new partnerships for basic change have created new hope and new vision. Written below, the vision statement that was drafted as a result of community input through surveys and forums, represents the future of downtown.

Both public and private developers see the potential for mixed-use development and new uses for downtown. The Town's Lot 5 development project has spurred the interest and confi-

dence in creating urban living options as evidenced by Greenbridge Development, Shortbread, The Condominiums at McCorkle Place and Rosemary Village.

In December, will have a boutique hotel that will attract visitors from all over the world to historic Franklin Street and downtown.

The downtown economy is changing and the future economic drivers are education, the arts & culture, entertainment and downtown residents.

Thank you for this opportunity to serve as Chair of the Chapel Hill Downtown Partnership during this exciting time.

Tom Tucker

The Vision for Downtown Chapel Hill

"Downtown Chapel Hill is an attractive and vibrant crossroads where North Carolina meets the world. It is a town center where educational and commercial opportunities flourish and world-class research is conducted. Franklin Street is North Carolina's main street and serves as the front door to the University campus. It is a destination that offers life-long learning, entertainment, and cultural venues for all ages.

Downtown charms patrons from all over the state, country and world who live, work and visit Chapel Hill.

Respectful of heritage, yet embracing a new frontier of global and technological interconnectedness, Downtown is where village nostalgia blends with urban living. It is an energetic, mixed-use district which offers modern office space, the town's most unique housing options in both new and

renovated buildings, and contemporary urban retail locations while striving to preserve and enhance the district's unique historical character. Chapel Hill is a hallmark of Southern culture, both old and new, and Downtown is what it is meant to be...the heart of Chapel Hill."

The vision was crafted by the CHDP board to communicate the vast potential of Downtown Chapel Hill to be a healthy, strong center.

CONTENTS

Page 2	Partnerships, Organization & Communication
Page 3	Design & Statistics
Page 4	Financial Review, Promotion & Economic Restructuring

Public and Private Partnerships

The key to success in downtown revitalization is in the creation of partnerships, with public and private entities, on a local, state, and national level. The purpose is to develop programming and projects that slowly, and incrementally create consensus and cooperation for change.

A few of our 2006 Partners

Chapel Hill-Carrboro Chamber of Commerce

Chapel Hill Herald

Chapel Hill News

Chapel Hill Orange County Visitors Bureau

Chapel Hill Public Arts Commission

Daily Tarheel

Downtown Business Owners

Downtown Property Owners

Duke Energy

Friends of Downtown

Inter Faith Council

Alexander Julian

Orange County Economic Development Commission

NC Department of Commerce—Division of Community Assistance

Private Citizens

The Splinter Group

SGD, Inc.

Town of Chapel Hill

University Baptist Church

University of North Carolina

UNC Athletics and Tarheel Sports Marketing

WCHL

The West End

The Main Street Approach and the first point – ORGANIZATION

In the fall 2005, the CHDP board adopted the National Main Street Program's Four-Point Approach to downtown revitalization as the operating methodology for Chapel Hill's downtown revitalization program. The four points are: *Organization, Design, Promotion, and Economic Restructuring.*

ORGANIZATION: Building consensus and cooperation.

Goal for 2006—Complete the establishment of Best Practice Policies and Systems of Operation for managing CHDP.

TASKS ACCOMPLISHED THIS YEAR:

◆ *Established a strong nonprofit corporation.*

⇒ Amended bylaws in accordance with the IRS

requirements.

⇒ Completed legal requirements to change the name to the Chapel Hill Downtown Partnership.

⇒ Adopted a Conflict of Interest policy for operating procedures.

⇒ Obtained 501 (c) 3 tax exempt status.

⇒ Shifted the budget cycle from calendar year to fiscal year accounting to be consistent with primary funding partners.

⇒ Established QuickBooks accounting.

⇒ Wrote and Adopted personnel policies and contracts.

⇒ Refined outsourced services including: accounting, legal, and insurance.

◆ *Established a planning process.*

⇒ Held an annual planning retreat.

⇒ Articulated a vision for downtown based upon input from the community through surveys and public forums.

⇒ Developed a goal oriented, measurable One-Year Plan of Work.

⇒ Hosted an Annual Meeting.

◆ *Managed and distributed information.*

⇒ Developed and maintained databases and distribution lists to quickly and efficiently communicate with business owners, property owners, the media, and the broader community.

The Downtown Partnership's Communication Initiative

Goal for 2006: Establish regular, communication venues that inform the community about the role of the organization, the downtown vision and the progress being made to achieve the vision.

TASKS ACCOMPLISHED THIS YEAR:

◆ *Established a variety of new ways to communicate with constituents.*

⇒ Created a professional website, www.downtownchapelhill.com, to serve as the primary source for what is going on in downtown, including a full business directory, a calendar of events, and much more.

⇒ Developed a quarterly newsletter, *Downtown Direction*, that is distributed by mail to a broad community-wide distribution list.

⇒ Wrote a monthly guest column article for the Chapel Hill Herald throughout 2006.

⇒ Wrote and Distributed regular press releases and email updates about new businesses and new downtown initiatives.

⇒ By January, 2007, will have launched a monthly e-newsletter that will be distributed efficiently for more frequent updates.

The mission of the Chapel Hill Downtown Partnership is to bring the resources of the Town, University and downtown community together to maintain, enhance, and promote downtown as the social, cultural and spiritual center of Chapel Hill through economic development.

DESIGN - Enhancing the physical appearance of the commercial district.

GOAL FOR 2006—To establish partnerships for change to the physical environment.

TASKS ACCOMPLISHED THIS YEAR:

- ◆ *Increased awareness of the importance of cleanliness.*
- ⇒ Coordinated *Clean & Safe Audits* to evaluate the needs and condition of downtown.
- ⇒ Created a *Cleanliness Report Card* and organized a group of volunteers that grade the cleanliness of downtown on a quarterly basis.
- ⇒ Studied public and private “Clean & Safe” initiatives throughout the country and encouraged the Town of

Chapel Hill to hire a dedicated downtown groundskeeper.

- ⇒ Established partnerships with volunteer groups that periodically clean-up downtown.
- ◆ *Established programming to improve Chapel Hill’s architectural character.*
- ⇒ Established a Façade Incentive Grant Program to provide a financial incentive for making façade improvements.
- ⇒ Established a partnership with *Alexander Julian* in the creation of *Facades by Julian*, a program to offer design and color assistance for façade

improvements; and developed a partnership with the NC Division of Community Assistance to Photoshop Mr. Julian’s recommendations.

- ◆ *Encouraged streetscape improvements.*
- ⇒ Participated in the Town’s streetscape committee that is resulting in a lighting plan and revisions to the streetscape plan in 2007.
- ⇒ Encouraged private owners to improve their lighting for a safer downtown.
- ⇒ Created and coordinated the *Franklin Street Festival of Lights* for a safe and festive environment for the holiday season.



The Franklin Hotel opening in December, 2006. The hotel will feature 67 guestrooms include 7 penthouse suites with patio balconies offering beautiful views of downtown Chapel Hill.

“We’re changing the economic potential by improving the environment in order to attract more people to shop, play, work and live downtown.”

Statistics - Investment in Downtown (These numbers represent both Public & Private Investment during 2006.)

Numbers are gathered from building permits, Orange County Tax Records, and Observation.

Statistics are typically gathered on a fiscal year basis (July–June). 2006 represented a shift from a calendar to a fiscal year-end, therefore 2006 statistics only represent January–June figures. The next statistical data reported will represent July, 2006 –June, 2007 figures.

<u>Annual Statistics (January 1–June 30, 2006)</u>	
Facades Redone:	4
Building Renovations:	2
New Businesses:	5
Businesses Lost	2
Net Gain Businesses:	3
Business Expansions:	2
Jobs Created:	18
Jobs Lost:	7
Net Gain Jobs:	11
Value Private Investment:	\$ 932,325
Value Public Investment:	\$ 600,000
Value Total Investment:	\$1,532,325

<u>Cumulative Statistics (January 2005–June 30, 2006)</u>	
Facades Redone:	7
Building Renovations:	16
New Businesses:	20
Businesses Lost:	15
Net Gain Businesses:	5
Business Expansions:	2
Jobs Created:	90
Jobs Lost:	77
Net Gain Jobs:	13
Value Private Investment:	\$ 13,975,539 (Includes acquisition)
Value Public Investment:	\$ 10,567,105
Value Total Investment:	\$ 24,542,644



The Grinch on Carolina blue fire truck.

**CHDP's Financial Review
for January–June, 2006**

**Note—CHDP shifted from calendar to fiscal year accounting in January, 2006. The finances represent the six-month budget, January 1–June, 30, 2006, that was developed to shift to a June 30 year end.*

Revenue

Town of Chapel Hill	\$ 35,000
Municipal Service District	\$ 35,000
UNC	\$ 35,000
Sponsorships	\$ 1,000
Miscellaneous	\$ 29
Fund Balance from 2005	\$ 15,409
Total	\$121,438

Expenditures

Personnel	\$ 72,431
Operating	
Rent/ Leases/Technology	\$ 15,194
Supplies & Equipment	\$ 7,845
Postage & Stamps	\$ 1,424
Professional Services	\$ 5,807
Contracted Services	\$ 2,160
Dues/Subscrip/Mat.	\$ 139
Travel & Training	\$ 1,530
Printing & Copying	\$ 7,706
Miscellaneous	\$ 173

Projects

Promotion	\$ 5,529
Summer Concert	\$ 500
Giving Kiosk	\$ 1,000

Total \$121,438

- Note—These are not Audited figures.
- 2006 Audit will be completed by February 15, 2007.

PROMOTION - Marketing the traditional commercial district's assets.

GOAL FOR 2006: Identify 1-2 promotional opportunities that are authentic and creative ways to promote the assets of downtown.

TASKS ACCOMPLISHED THIS YEAR:

◆ **Developed the downtown brand.**

⇒ Hired the *Splinter Group* to create a logo and a website for CHDP and downtown.

◆ **Organized activities for 2006 Winter Holidays:**

⇒ Created the *Franklin Street Festival of Lights*, December 3–January 4th, to celebrate Franklin Street's heritage in relation to Benjamin Franklin and to create a festive downtown for all winter holidays.

◇ Organized a *Holiday Open House* on December 3rd featuring holiday music, horse-drawn carriage rides, pedicab rides, and children's activities.

◇ Coordinated the *Community Tree Lighting* for December 3rd at the Memorial Garden at University Baptist Church, featuring the lighting of a 22' tall tree.

◇ Organized the *Festival of Lights Window Display Contest* for downtown businesses.

◇ Created *Santa's Workshop*, a downtown opportunity for children to meet *Santa and Mrs. Claus* throughout December; organized opportunities to have your picture made with the *Grinch* on a Carolina

blue fire truck; and coordinated storytelling with *Ben Franklin*.

◆ **Promoted downtown Chapel Hill during University events.**

⇒ Participated in *5th Quarter Chapel Hill*, a new initiative to keep football fans in town after the UNC football games. (Full deployment in 2007)

⇒ Created a volunteer *Downtown Ambassador* program to enhance the visitor's experience during busy weekends.

◆ **Promoted downtown entertainment.**

⇒ Financially supporting a summer concert series in an effort to promote downtown as a place to hear live music.

ECONOMIC RESTRUCTURING - Strengthening the district's economic base.

GOAL FOR 2006: To address the basic needs of a commercial district and to establish "best practice" downtown standards as the basis for growth and revitalization.

TASKS ACCOMPLISHED THIS YEAR:

◆ **Addressed real and perceived safety concerns.**

⇒ Educated business owners on downtown safety and the proper use of 911,

⇒ Conveyed the need for more visible police patrol and supported the creation of the *Downtown Police Patrol* unit that was deployed in November.

⇒ Hosted a *Downtown Safety Forum* at Jack Sprat Café'.

⇒ Developed and deployed a *Safety Survey* to assist the police in understanding the safety concerns of downtown business owners.

◆ **Initiated programming to address panhandling.**

⇒ Worked through the details of a private contributor's proposal to create a *Giving Kiosk* as an alternative to panhandling.

⇒ Formed the *Downtown Outreach Work Group*, an outgrowth of the *Giving Kiosk*

project, whose mission is to manage the impact of the social and behavioral issues in downtown. Developing a plan of work for 2007.

◆ **Worked to make parking a more user-friendly economic development tool.**

⇒ Participated on the Town's *Parking Committee* that will continue into 2007.

⇒ Developed *Valet Parking* service in partnership with *West End Restaurateurs*.

◆ **Managed downtown data.**

⇒ Maintained listing of available properties and businesses.