



**CHAPEL HILL DOWNTOWN PARTNERSHIP**  
*driving downtown's destiny*

March 17, 2008

Mr. Kevin Foy, Mayor  
 Mr. Roger Stancil, Town Manager  
 Town of Chapel Hill  
 405 Martin Luther King, Jr. Blvd.  
 Chapel Hill, NC 27514

Dear Mayor Foy and Mr. Stancil:

The Chapel Hill Downtown Partnership is pleased to submit a request to the Town of Chapel Hill for funding and support for revitalizing downtown Chapel Hill. We are proposing an annual budget of \$433,000 for 2008-2009. CHDP is prepared to solicit \$92,500 or 21% of that budget through grants, private donations and sponsorships. We are requesting that the Town increase their annual allocations from general funds and the municipal service district from \$188,025 in 2007-08 to \$250,000 in 2008-2009. Based on the revenue generated by the municipal service district at .09/\$100, we do not see a need to increase the tax rate at this time however, we are asking for an increased allocation from the Municipal Service District tax that is collected.

As noted in the Comprehensive Plan, downtown is our community's future. A healthy, mixed-use and denser community begins with a strong, vital downtown that supports the needs of the University, nearby residents, and the greater community at large. We have prepared a plan of work and a budget that brings community partners to the table to strengthen downtown: the Town and University, the downtown business and property ownership, local organizations and foundations, business leaders outside of the downtown district, and citizens throughout Chapel Hill.

The attached *Plan of Work* (first page), and supporting *Resource and Partnership Identification* packet outlines an ambitious yet comprehensive set of goals and objectives for our organization. There is much work to be done for downtown but the Chapel Hill Downtown Partnership is positioned and prepared to carry our mission forward. Our board has identified five primary areas of work that we plan to focus on in 2008-2009.

- Basic Needs of Downtown: *To lessen the real and the perceived reasons that people avoid downtown, including: Parking, Panhandling, Homelessness, Safety, and Cleanliness.*
- Business Retention: *To strengthen the downtown environment in order to attract more customers to downtown.*
- Diversification of Downtown: *To broaden the retail, restaurant, service, professional, institutional, governmental, and residential activity in downtown with new uses that support the vision.*
- Business Recruitment: *To maximize the potential of available land and property with new businesses which support the vision for downtown.*



- **Strategic Planning and Implementation:** *To make incremental improvements in downtown that will result in long-term success not just a quick fix.*

There are some key projects that our organization plans to accomplish in 2008-2009 with the increased funds that we are requesting:

<b>Requesting \$145,000 from the Municipal Service District funds:</b>	
Base Funds Allocated for Personnel / Operations in 2007-2008. Requesting the same amount in 2008-2009.	\$91,000
<b>Business Retention:</b>	
Advertising downtown's assets for the benefit of increased customers to downtown.	\$7,000
Printing a downtown map used by businesses to increase connectivity between downtown destinations.	\$2,000
Provide professional design assistance for façade improvements to enhance the architectural character of downtown Chapel Hill	\$10,000
<b>Diversification of Downtown:</b>	
Partner with the Town of Chapel Hill to develop an updated land use masterplan for downtown identifying key sites for opportunity.	\$25,000
Partner with the Town, University, Visitor's Bureau and others to improve Wayfinding through a collaborative planning process.	\$10,000
Total	\$145,000

<b>Requesting \$105,000 from the Town of Chapel Hill:</b>	
Base Funds Allocated for Personnel / Operations in 2007-2008. Requesting the same amount in 2008-2009.	\$70,000
<b>Basic Needs of Downtown:</b>	
Requesting an allocation from parking revenues to partner with the Town of Chapel Hill Parking Services to improve signage to direct downtown visitors to parking and to market and promote parking through a variety of mediums.	\$10,000
Requesting an allocation from the CDBG funds to further the Real Change from Spare Change program through both education and street outreach.	\$15,000
<b>Business Retention:</b>	
Requesting an allocation from the Chapel Hill occupancy revenues to improve the downtown Chapel Hill website to better communicate the downtown assets and to add an interactive map that helps visitors extend their length of stay in downtown.	\$10,000
Total	\$105,000

The role of our organization is to manage and lead downtown Chapel Hill. *Basic Needs and Business Retention initiatives* are both downtown management strategies, designed to improve the existing downtown environment as a healthier place to work and visit. Our staff spends countless hours working one-on-one with downtown business and property owners, often resulting in the resolution of very specific, individualized issues that may go unnoticed by the general public. Yet this is a role that the downtown ownership needs and wants from the Downtown Partnership; to build advocacy, to find solutions, and to be a voice for their needs.

*Diversification of Downtown, Business Recruitment, and Strategic Planning and Implementation initiatives* are all strategies that will lead downtown Chapel Hill into the future as a new mixed use center of activity: centered around education, arts, culture, and entertainment, and as a quality place to work and



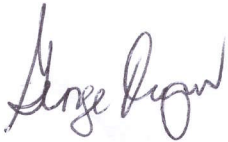
live. Once again, our staff spends a considerable amount of time assisting prospective businesses which has resulting in a net gain of 14 new businesses and 50+ jobs in downtown over the past two years. The planning initiatives require hard dollars but a solid plan is a crucial tool to have in place in order to communicate to prospective developers where downtown is headed and how they can play a role in furthering the vision.

The Downtown Partnership's 2008-2009 proposed budget is attached for your review. Our board approved this budget at their board meeting on March 14, 2008. We are not proposing an increase in staff or an increase in operating costs, yet we are proposing an increase of nearly \$75,000 in programming initiatives over 2007-2008.

The Chapel Hill Downtown Partnership is prepared to take our organization to the next level to manage and lead downtown Chapel Hill but in order for us to accomplish our goals we must expand the resources of our organization. We respectfully request that the Town of Chapel Hill continue to partner with us at the financial level that we have outlined.

Thank you for your consideration in this matter. If you need any additional information, we are more than happy to provide that for you.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "George Draper".

George Draper,  
Chair

Attachments

Cc: Dwight Bassett

	<b>08-09 Proposed</b>	
<b>Income</b>		
Municipal Service District	\$	145,000.00
Town of Chapel Hill	\$	105,000.00
University of North Carolina	\$	80,500.00
Program Sponsorships	\$	10,000.00
Private Donations	\$	10,000.00
Interest	\$	3,000.00
Corporate/ Business Grants	\$	7,500.00
Foundation Grants	\$	40,000.00
Valet Parking Revenue	\$	25,000.00
Fund Balance Appropriation	\$	7,000.00
Misc.	\$	-
	<b>\$</b>	<b>433,000.00</b>
<b>Expenditures</b>		
<b>PERSONNEL COSTS</b>	<b>\$</b>	<b>173,000.00</b>
<b>OPERATING</b>		
Rent / Leases - 308 West Rosemary Street	\$	23,400.00
Telephone & Technology	\$	5,800.00
Office Supplies & Equipment	\$	5,500.00
Professional Services	\$	6,000.00
Contracted Services	\$	3,200.00
Industry Knowledge	\$	6,100.00
Meeting Expenses	\$	4,200.00
<b>OPERATING COSTS</b>	<b>\$</b>	<b>54,200.00</b>
<b>PROGRAMMING</b>		
<b>PROMOTION</b>		
Communication	\$	4,025.00
Marketing	\$	25,500.00
Events	\$	11,000.00
Graphics/Advertising	\$	9,150.00
Printing & Copying	\$	7,150.00
Sub Total	\$	56,825.00
<b>DESIGN</b>		
Cleanliness	\$	500.00
Facades	\$	10,000.00
Planters	\$	6,000.00
Decorations/Banners	\$	19,000.00
Sub Total	\$	35,500.00
<b>ECONOMIC RESTRUCTURING</b>		
Parking	\$	25,000.00
Data	\$	36,200.00
Business Retention/Recruitment Tools	\$	2,275.00
Real Change / Street Outreach	\$	49,500.00
Sub Total	\$	112,975.00
<b>OTHER</b>		
Finance Charges	\$	500.00
<b>PROGRAMMING &amp; OTHER COSTS</b>	<b>\$</b>	<b>205,800.00</b>
	<b>\$</b>	<b>433,000.00</b>

# Chapel Hill Downtown Partnership Plan of Work: January 2008-June 2009

**Vision:** Downtown Chapel Hill is a sustainable mixed-use district that builds community as the *Center of Education and Life-Long Learning; the Center of Arts, Culture, and Entertainment; and the Center of Urban Living.*

**Mission:** 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.

**Implementation Strategy:** The Chapel Hill Downtown Partnership utilizes the National Main Street Center's Four-Point approach as tools for growth of the downtown:  
 (1) Organization to build consensus and cooperation among many groups and individuals with an interest in downtown; (2) Design to enhance the physical appearance of historic buildings, encourage supportive new construction and develop sensitive design management systems; (3) Promotion to market the traditional district's assets to customers, potential investors, new businesses, local citizens and visitors; and (4) Economic Restructuring to strengthen the district's economic base while exploring new opportunities and meeting new challenges.

BASIC NEEDS OF DOWNTOWN	BUSINESS RETENTION	DIVERSIFICATION OF DOWNTOWN	BUSINESS RECRUITMENT	STRATEGIC PLANNING & IMPLEMENTATION
<b>I. Goal</b> To attract more people to downtown Chapel Hill.	<b>II. Goal</b> To help existing downtown businesses do more business.	<b>III. Goal</b> To increase the activity in downtown.	<b>IV. Goal</b> To increase the density of businesses in downtown.	<b>V. Goal</b> To position downtown to better serve the needs of the community.
<b>Objective:</b> To lessen the real and perceived reasons that people avoid downtown, including: <u>Parking, Panhandling, Homelessness, Safety and Cleanliness.</u>	<b>Objective:</b> To strengthen the downtown environment in order to attract more customers to downtown.	<b>Objective:</b> To broaden the retail, restaurant, service, professional, institutional, governmental, and residential activity in downtown with new uses that support the vision.	<b>Objective:</b> To maximize the potential of available land and property with new businesses which support the vision for downtown.	<b>Objective:</b> To make incremental improvements in downtown that will result in long-term success not just a quick fix.
<b>Strategies:</b> 1. Address the public perceptions of downtown and downtown's basic needs. 2. Complete & Implement the <u>2008 Parking Study</u> Recommendations in collaboration with the Town, University and Downtown Ownership. 3. Market and Promote <u>Real Change from Spare Change</u> in collaboration with the Town, University, Downtown and Community-At-Large. 4. Address panhandling near businesses. 5. Support the Initiatives of the Ten-Year Plan to End Homelessness and the Inter-Faith Council. 6. Continue to work in collaboration with Town to convey safety information and education. 7. Advocate and coordinate better efforts to make downtown cleaner. 8. Manage CHDP as an effective downtown leader.	<b>Strategies:</b> 1. Create a sense of optimism amongst the business community through increased communication endeavors. 2. Develop a Wayfinding Masterplan in collaboration with the Town, University, Downtown and others. 3. Develop a plan and program to make Downtown the Center of Hospitality. 4. Communicate with and educate business owners on best-practice sustainability initiatives. 5. Create a sense of place in downtown through physical improvements including façade and alley improvements, banners and holiday decorations, murals, planters, etc.	<b>Strategies:</b> 1. Develop an updated downtown masterplan focused on understanding market potential. 2. Conduct an updated retail analysis as a part of the masterplan process. 3. Increase regular promotional/cultural events that attract people downtown by assisting the Town Parks and Recreation department. 4. Pursue opportunities to create or attract today's downtown anchors that further the vision.	<b>Strategies:</b> 1. Increase communication with downtown ownership to identify opportunities for redevelopment. 2. Develop marketing materials to communicate the downtown market potential to prospective businesses and developers. 3. Assist business owners in opening a business downtown.	<b>Strategies:</b> 1. To use technology to diversify the ways we market downtown and communicate downtown success stories. 2. To develop an infrastructure of best practice policies created from comparable college towns that are addressing similar downtown and economic challenges. 3. Measure and track changes in downtown in an effort to effectively and proactively plan for Downtown Chapel Hill's growth.



**Chapel Hill Downtown Partnership**  
 308 West Rosemary Street, Suite 202  
 Chapel Hill, NC 27517  
 (T) 919-967-9440  
 (F) 919-967-9440  
 Email – [Partnership@DowntownChapelHill.com](mailto:Partnership@DowntownChapelHill.com)  
 Web – [www.DowntownChapelHill.com](http://www.DowntownChapelHill.com)

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