

Cal Horton



From: charles house [CHARLESHOUSE@UNIVERSITYFLORIST.COM]
Sent: Tuesday, September 30, 2003 12:45 PM
To: Town Council
Subject: Downtown Development Proposal

Dear Kevin and Council,

Attached is the Downtown Commission's proposal for a new development entity that we ask to be considered along with the Task Force recommendations that Council will discuss at the work session on October 8th. I will be available for questions if you have any at that time. Call me at 810-6122 if you have any questions prior to the 8th. Also, we were very pleased with the Chancellor's letter and the recommendations from his staff. I do believe that a very positive consensus is being built and we look forward to a rewarding partnership for all.

Best wishes,

Charles House
Chair
Chapel Hill Downtown Commission

BACKGROUND

In 1987, a group of concerned citizens determined that our Downtown was in need of revitalization and attention. Initially, the Town, UNC Hospital, the University, and a number of influential citizens were the foundation and support of an entity that soon became known as the Chapel Hill Downtown Commission. The mission of this organization was and still is “To develop and encourage the vitality and growth of the downtown business district of Chapel Hill as an economic, cultural, recreational, entertainment, and historic center.” While the organization has undergone various changes in the past, it has never lost sight of this original mission statement.

In the spring of 1999, the Board of Directors of the Commission recognized that certain needs were not being met in the Downtown district and took steps to remedy some of these problems. A plan was developed and the course plotted to address these needs and implementation followed. One point of this plan resulted in a collaboration between the University, the Town, the Commission, and several private business and property owners that led to the hiring of a professional consultant to advise us on ways to improve and revitalize our downtown area. The Commission’s Board adopted University Retail Group’s recommendations and presented the study to the Town in February of 2003. To begin implementation of these recommendations, new relationships with property owners were established, a few building improvements facilitated, new quality retail opened, and some existing businesses improved their signage and overall appearance. The Commission held many meetings to inform and involve all of the partners in the process – the merchants, the property owners, the University, Town Government and others interested in the health of downtown. The objective was to include all in the process and build a consensus for an action plan. Further support and validation for the principals of the consultants’ recommendations came in the spring of 2003 from an independent Mayor’s Task Force report that essentially paralleled those of the study.

The overriding theme of these principles was the development of an Economic Development Plan for Downtown Chapel Hill. The first step was to define “Economic Development” for our community. To do so, the Commission and others, researched economic development strategies in other communities around the state and nation. Websites were searched, personal contacts made, and actual models from several communities studied. After this extensive investigation, several conclusions have been reached:

- Downtown Chapel Hill is what many or most other downtowns strive to be
- In the long term, our market is exceptionally strong, but that strength has allowed us to take our market for granted
- The current economy has opened eyes to this apathy as it weeds out marginal operations and challenges everyone
- The opportunities for improvement, as well as further deterioration, have never been better

- The Commission's traditional Program of Work is an integral part, and in some cases, a major, component of every economic plan studied and must be continued
- A committed "Partnership" between the Downtown community (both business & property owners), the Town, and the University will insure any effort's success and become a model for future relationships
- Adequate, on-going funding must be committed for at least some determined length of time to accommodate a basic budget
- Grants, donations, or sponsorship funds should continue to be used to enhance the basic budget
- Downtown Economic Development Plans are unique to each community and need to be created with the input of the entire community
- Resources are available through the NC Community Assistance office to help with the development of a plan
- The organizational structure for this increased effort needs to be established to assist in determining the economic development specifics

ORGANIZATION

The Board of Directors of the Chapel Hill Downtown Commission recommends the following actions be taken:

Organization. The organization will be an independent 501c3 and 501c6 organization that will be able to accept charitable contributions as well as maintain a non profit status.

Board Makeup. A new Board of Directors will be created that should reflect the major components of the central business district with equal representation from the University, the Town and the property/business owners within the Downtown Service District. It is recommended that the new Board should consist of three (3) members from each category and the terms should be for three (3) years and limited to two (2) terms. This Board will be a working Board and, if necessary, expand its membership and appoint advisory committees when necessary.

Economic Development Director. The new Board will hire an Economic Development Director that will be the chief executive officer of the new entity. This person should be an energetic, well qualified and experienced individual who will be responsible for:

- Recruiting and assisting businesses and new retail, residential and commercial development.
- Helping to create, and executing, development plans for transportation, parking, lighting and other important infrastructure improvements.
- Acting as principal liaison and spokesperson between the Town of Chapel Hill, The University of North Carolina and the downtown community.
- Creating programs that will maintain and improve properties
- Pursue funding and grants.
- Hiring and managing other personnel.

This Economic Development Director reports directly to the Board of Directors. This person will also be responsible for hiring support staff including, but not limited to, an office manager/administrative assistant and a person to oversee marketing and promotions/external relations.

FINANCIAL SUPPORT

In order for Downtown economic development to be successful it must be equally supported, both financially and philosophically, by the three stakeholders: the Town, the University, and the Downtown community. We must attain a level of trust and commitment among all parties that will promote the effort to success. With this in mind, primary funding should also be equal among the parties and must be set up to insure on-going support for at least some determined time period. Private or corporate donations, grants, and other moneys secured should be used to enhance the basic budget provided by this primary funding or could be sought for startup costs.

The Chapel Hill Downtown Commission recommends the following funding proposal.

The Downtown Service District provides approximately \$70,000 per year collected from the downtown private property owners and will be the contribution from the business community. The University and Town will each contribute \$70,000 to this effort and it will result in a starting budget of \$210,000. Each group will commit to this funding for a minimum of five (5) years to provide a reasonable level of commitment and to allow for serious long- term planning.

REPORTING STRUCTURE

The Board will present an annual report and program of work to the Town Council, the UNC Board of Trustees and to the business community at an Annual Meeting. This meeting will provide an opportunity for dialog among all parties and highlight “the State of the Downtown”. Quarterly reports will provide information about ongoing programs, financial health and goals achieved so all parties will be kept abreast of current economic developments.

