

Chapel Hill Downtown Steering Committee

Summary of Final Decisions

The New Entity

1. The Town and the University will create a new entity to lead economic development efforts in downtown Chapel Hill. It will be organized as a nonprofit corporation.
2. The Town will ask the Town Attorney to take the lead in drafting and filing the documents necessary to creating the entity and securing appropriate tax-exempt status for it.
3. The board of the new entity, once appointed, will select the permanent name of the entity.

The Board of Directors

1. The entity's board of directors will have seven members. The Town Council will appoint four members; the University will appoint two members; and those six members will appoint the seventh.
2. At least one of the Town's appointees will be an owner of downtown property, and at least one of the Town's appointees will be an owner of a business located downtown.
3. The Mayor and Manager will recommend to the Town Council that the Council retain full discretion with respect to its four appointees. The committee recognized that the Downtown Commission could recommend to the Town Council that the Council provide that two Town appointees come from a slate submitted to the Council by the Downtown Commission, after a process under which the Commission seeks involvement by all downtown property owners and business owners. It will also be open to the board of directors themselves, once appointed, to suggest alternative appointment procedures to the Town Council.
4. Initially, the Town will appoint two persons to two-year terms and two persons to three-year terms; and the University will appoint one person to a two-year term and one person to a three-year term. Thereafter, the six members of the board of directors appointed by the Town and University will serve staggered, two-year terms. The seventh member will serve a one-year term. All members will be eligible for reappointment.
5. The board will appoint its own chair and other officers.

6. The board of directors will organize an advisory board and appoint its members.

7. Under the appointment structure set out above, the board of directors will probably be a public body under the open meetings law and a public agency under the public records law. To create certainty, it is also possible to specify in the written funding agreement that the entity will follow those laws.

Funding

1. The Town will continue to levy a special tax in the downtown area.

2. The entity will be funded by appropriations from the Town and the University, under a written agreement among the three parties (Town, University, and new entity). The Town will provide two-thirds of the money and the University one-third. The Town's share of funding will consist of an allocation from the Downtown Tax District Fund and a matching amount from other Town funds. The allocation from the Downtown Tax District Fund is expected to be \$70,000 in each of the next three fiscal years, with a matching amount from other Town funds.

3. The entity will initially be funded for three years, under a written agreement between the various parties. At the end of the second year, the parties will review the entity's performance and determine whether the funding arrangement should be extended past the third year.

4. Neither the Town nor the University will have any formal approval power over the entity's annual budget or work plan. The entity will be expected, though, to make regular reports to the various parties.

Mission Statement and Goals

1. The committee approved the following mission statement for the new entity:

"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."

2. The committee also reviewed and agreed to a set of possible goals for the new entity. These goals, set out in a separate document, will be submitted to the board of directors of the new entity for their consideration as they develop a work or strategic plan.

Staffing

1. The University has agreed to provide staffing to the new entity for the first year of its existence. That should allow the entity's board of directors time to do an appropriate search for permanent staff.

