

Council Committee on Economic Sustainability Meeting Notes
March 3, 2017
Chapel Hill Public Library, Room A

Attendees: Mayor Pam Hemminger, Council Member George Cianciolo (Chair), Council Member Michael Parker, Council Member Sally Greene, Council Member Ed Harrison, Council Member Nancy Oates, Roger Stancil, Aaron Nelson, Justin Simmons, Dina Rousset, Meg McGurk, Gordon Merklein, Steve Brantley, Lucy Chase, Bobby Funk, Florentine Miller, Dwight Bassett, Ben Hitchings, Mary Jane Nirdlinger, Jeanne Brown, Laura Selmer, Rae Buckley, Beth Vazquez.

Council Member George Cianciolo opened the meeting at 8:04 a.m.

Agenda approved.

Updates

Economic Development

Economic Development Officer Dwight Bassett reviewed the Commercial Development Strategy and five high level goals that provide a focus for economic development: (1) working with existing approved developments to help it move forward to create market opportunity for job creation and business development; (2) working to strengthen our entrepreneur and maker ecosystem; (3) marketing Chapel Hill to create interest in existing and new spaces; (4) responding to development and business inquiries from developers, businesses, site selection consultants and company staff; and, (5) working to complete the goals in the Commercial Development Strategy.

Mr. Bassett reported that the Town has hired Raleigh-based Liaison Design Group to work on crafting storytelling. Seven companies were interviewed, and Liaison Design Group's experience with economic development pushed it to the top. Research will begin in April.

Mayor Hemminger shared that the Mayor's Innovation Summit held last week was a success, and that over 50 people attended. The goal is to identify individuals willing to serve on an advisory council.

The next Business Retention event is scheduled for March 7th. The town is also continuing to build support for a maker organization; the next meeting is scheduled for March 18th to explore how to move this effort forward.

Mr. Bassett described the process for receiving business inquiries—where they come from, how we treat them, and when we count them as a legitimate inquiry.

Mr. Bassett reviewed information from How Money Walks based on tax return data that shows where wealth in Orange County is gained from and lost to, as well as changes in population.

Mayor Hemminger added that she attended the State of Durham event this week and learned that Durham is completely leased out of space (no more old warehouses to renovate). A panel at the Clean Tech Summit at the University of North Carolina said the Research Triangle area is among the most promising areas for clean technology because of the vast talent pool and three major universities.

Planning and Zoning

Planning and Development Services Director Ben Hitchings provided an update on Planning and Sustainability, whose work flows from the Chapel Hill 2020 Comprehensive Plan and the community goals articulated in that document. The macro view market analysis underpinning the station area planning work underscores unmet market potential. He said our challenge is to figure out how to accommodate this market potential in a way that supports our community goals.

Mr. Hitchings showed a slide that depicts an increase in the number of permits in the office and retail sectors, reviewed the Development Activity Report, and provided a recap of concept plans, including three new: (1) CASA Housing (24 units off of South Merritt Mill Road, all at 30% of area median household income or lower); (2) an expansion of the Cedars at Meadowmont (adds 25,000 square feet and 38 new beds); and, (3) Homestead Townhomes (44 townhomes near Cabernet Drive).

Mr. Hitchings reviewed new Special Use Permits and projects under construction, including a 2,700 square-foot outparcel at Ram's Plaza for retail. Dunkin' Donuts is coming to the space under construction adjacent to The Siena Hotel. Special planning initiatives include (1) Ephesus-Fordham (walkability standards, design guidelines, and mobility and connectivity plan), (2) Downtown (West Rosemary Development Guide and parking study), (3) Station Area Planning, and (4) LUMO Re-write.

Launch Update

Launch Chapel Hill Director Dina Rousset provided an update, including information on stakeholders, goals, and milestones (detailed in Ms. Rousset's PowerPoint Presentation). In November 2015, Launch Chapel Hill was ranked 4th best accelerator program in North America; they are currently in the process of resubmitting for ranking. Ms. Rousset provided information on Launch Chapel Hill's program ingredients, team, executive committee, and ventures (63 and counting). Successes include the generation of 250+ jobs in Orange County and 1,100+ in the US; \$15 million in additional capital raised; three exits, two partial and one full (over \$6 million); \$7.3 million in revenues raised in 2016; two new funders (Kenan Trust and Casey Foundation); and 7,700 square feet in Orange County leased by alums.

Council Member Parker asked what the Town can do to help more. Ms. Rousset responded more space and resources. Council Member Oates asked about criteria for leasing office space. Ms. Rousset clarified the primary consideration for companies moving is often not the price per square foot, but the flexibility to lease short-term.

Council Member Cianciolo inquired about state funding beyond the University. Ms. Rousset responded that there are some funding opportunities, including through the Kauffman Foundation, but there has been little time and no one focused on securing additional grant funds. Council Member Cianciolo asked about interest from life sciences groups. Ms. Rousset replied there is some interest from pharmacy, where Launch can provide teams with the business perspective. Council Member Cianciolo asked if Launch is organized as a non-profit. Ms. Rousset replied that Launch is currently a series of memorandums of understanding. Council Member Cianciolo asked how a property owner would write off two years of donated space. Ms. Rousset explained that donations currently pass through the University, and that Launch is exploring pulling out as its own 501(c)(3).

Business Census

Chapel Hill-Carrboro Chamber of Commerce President and CEO Aaron Nelson introduced Chamber Vice President and Chief of Staff Justin Simmons to provide information on the Business Census project (detailed in PowerPoint Presentation). Mr. Simmons's presentation outlined the partners involved, the

process for collecting and housing the data, what's been helpful about having this data available, and next steps.

Council Member Parker asked how complete the data is and whether the information could be migrated to Chapel Hill open data portal. Mr. Simmons responded that it's not knowable what percentage of businesses have been surveyed, but his hope is that the census has reached over 50 percent. The focus of the project has not been on home-based business, but rather on those businesses occupying commercial space. Mr. Nelson expressed some nervousness about broad publishing of this information, particularly emails.

Mayor Hemminger offered that the state requires businesses to file their name, category, and address every year, which could offer a comparison and allow the census to capture information about home businesses. Mr. Nelson offered that there is a perfecting process over time, and that hand-collecting information door-to-door can be overlaid with commerce data to make improvements.

Council Member Cianciolo asked about plans for updating the census. Mr. Simmons said this is an ongoing task that may require a dedicated person if it's deemed to be a priority.

Announcements

Mayor Hemminger provided an update that the Wallace Deck item comes back to Town Council in April, and the Light Industrial Zoning District comes back March 20th for the second public hearing. Carraway has broken ground and several new restaurants and businesses have opened across the Town.

Next meeting is April 7, 2017.

Motion to adjourn at 9:13 a.m.