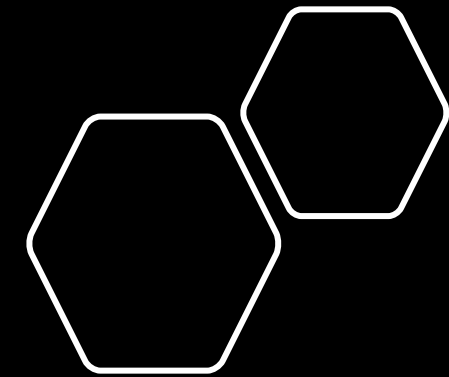


A Roadmap for Downtown Chapel Hill's Innovation District

July 11, 2022



BUSINESS STREET



**Council Committee
on Economic
Sustainability
April 14, 2023**

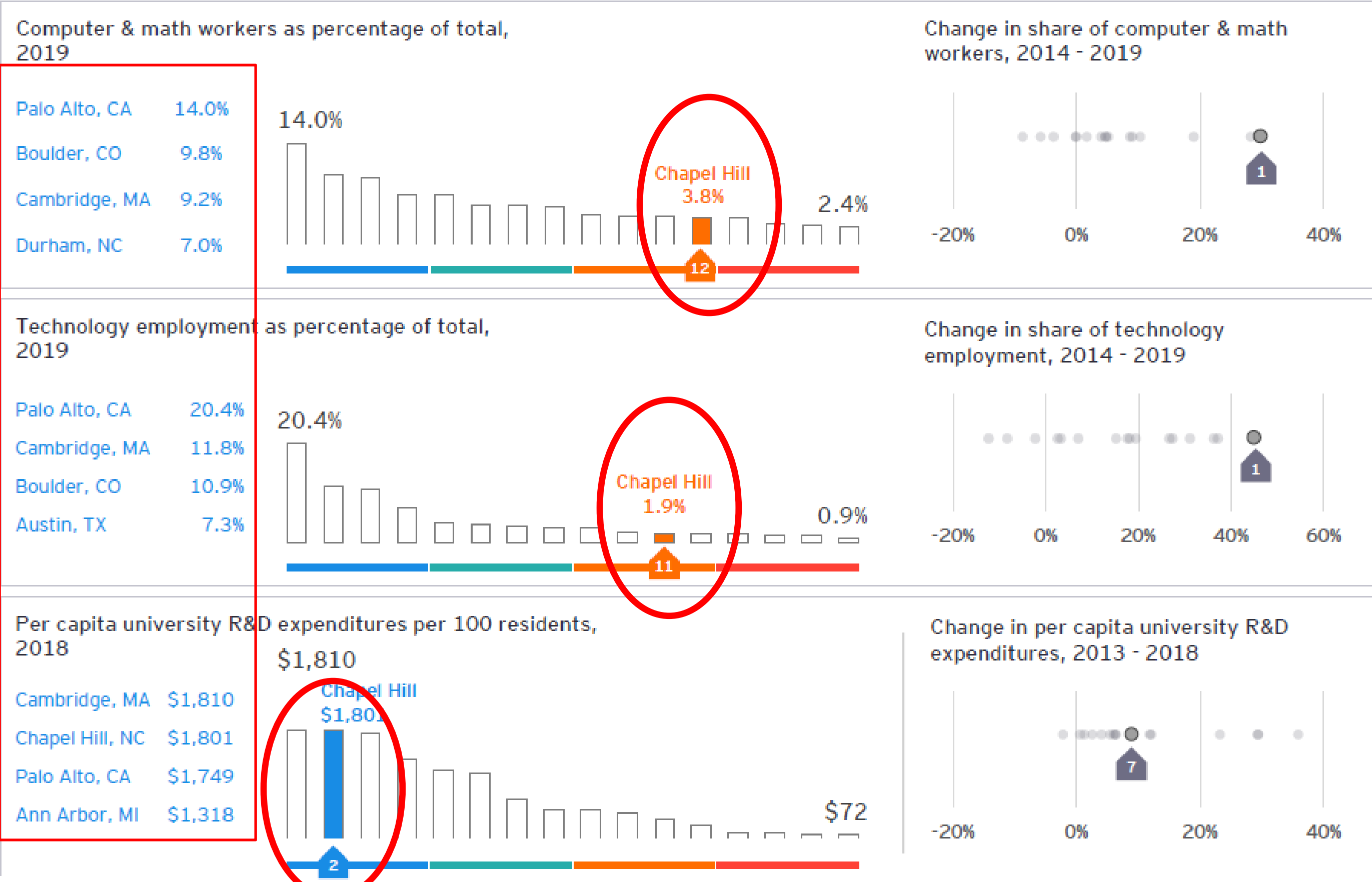
Council Committee on Economic Sustainability

Downtown Together Partnership Presentation

April 14, 2023

- Doug Rothwell, Downtown Together Co-chair
- Dwight Bassett, Town Director of Economic Development
- Sheryl Waddell, University Director of Economic Development and Innovation Hubs

Why Downtown Together & the Innovation District Plan



Sources: US Census Bureau, EMSI, National Science Foundation



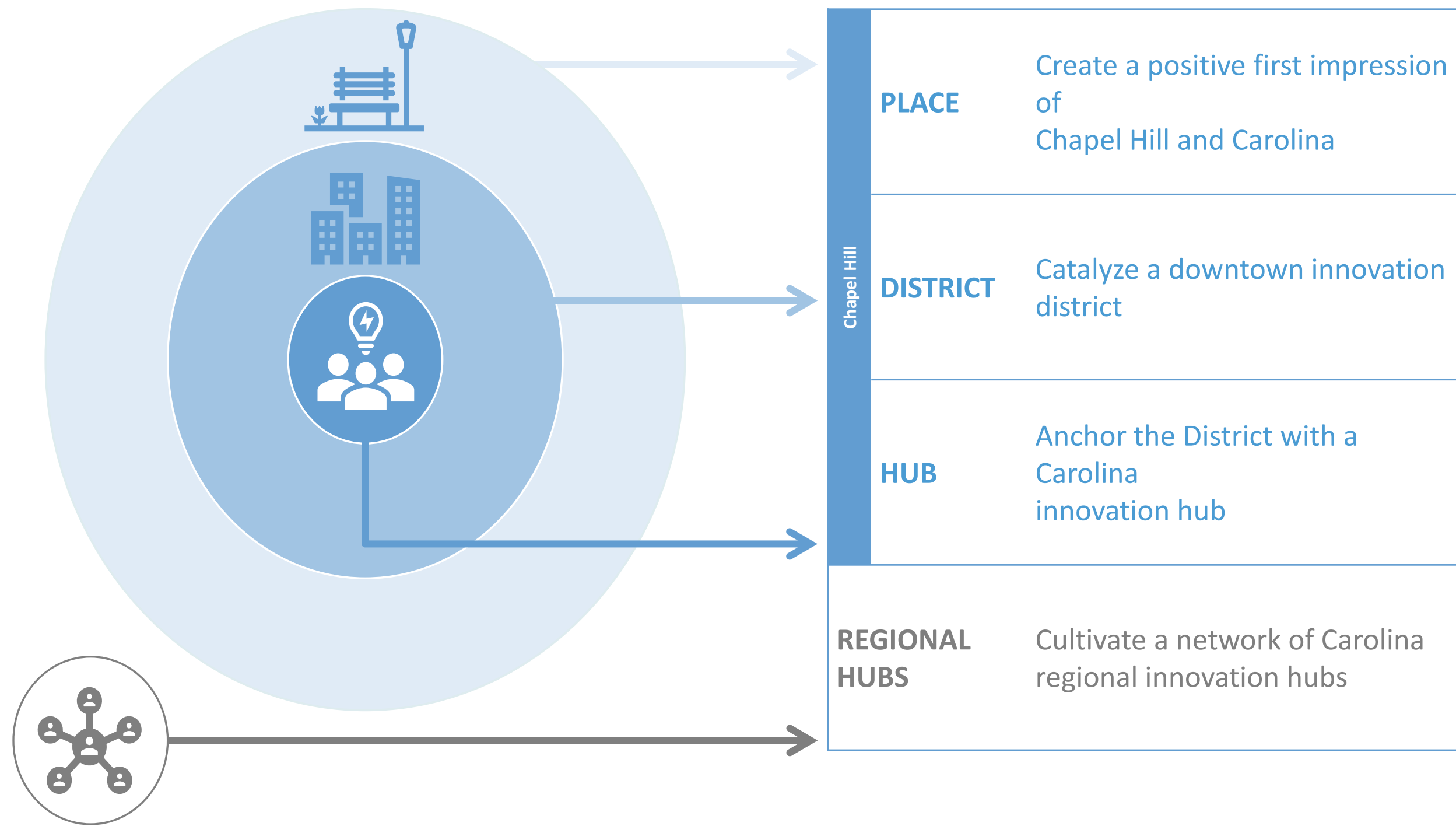
The Opportunity



Many of UNC's best graduates seek work outside the region because of a lack of local opportunity.

This strategy aims to reverse this brain drain by making downtown Chapel Hill a place to not only live and play but work and learn.

University's Economic Development Strategy



Strategy Execution

University's Economic Development Strategy

Chancellor's
Economic
Development Council

Director of Economic
Development and
Innovation Hubs

Downtown Together
Taskforce

Building the Innovation District Plan

INTERVIEWS AND PRESENTATIONS

- Faculty and staff at UNC
- Chancellor's Office
- Town Council
- Downtown developers
- Interested parties walking tour
- Leadership Group

What is an Innovation District?



This word cloud includes organizations, activities, and qualities that make for a vital, 21-century work district. Notice that these words include not only startups but corporations and not just labs and offices but hotels, coffee shops, and parks. Great work districts bring a variety of people together for face-to-face collaboration and spark serendipitous encounters as they go about their daily lives.

The goal of this Chapel Hill effort is not to create a separate place but to bring more people downtown, more hours of the day, and more kinds of activity.

Goals and Metrics



This strategy aims to add work and learning to a place where people already live and play.

- Revitalize downtown.
- Create a better front door for UNC.
- Increase jobs and tax revenue.

Taking our place on the national map...



Downtown Chapel Hill will not only compete with other regional destinations like Research Triangle Park and downtown Durham but also with Boulder, Madison, and Ann Arbor. That means setting higher sights for the quality of operations and recruiting companies from outside the region looking nationally for new locations.

Competitive Positioning

Chapel Hill is not just another small college town, but a nationally-known community with a long history of intellectual, artistic, and scientific distinction

For "gown", this means selling UNC's multi-disciplinary thinking

On the "town" side, Chapel Hill offers both "place" and an eclectic society alive with diverse people and ideas.

Top Challenges

Earning The Premium For Place

- New construction will require effective rents about \$5 per square foot higher than Glen Lennox or downtown Durham. Downtown must now earn that premium by becoming safer, cleaner, and more attractive.

The Approvals Process

- Uncertainty about what developers can build has slowed the market for land sales. Town government needs to prioritize its urban design goals for West Rosemary and create a pilot process that will expedite the approval of projects that conform to those goals.

Marketing

- Downtown has seen so little new office development for so long that a single team of brokers marketing a single project will not be able to put downtown back on the map as a regional employment center. The Taskforce needs to work together in identifying prospects and making cold calls that get the word out that industry is now welcome here.

Parking

- Structured parking is one of the highest costs of development, and sharing this parking with complementary users can effectively halve its cost. Fostering this sharing will require creating a system of garages, fees to finance them, and good way-finding.

The Division of Responsibility

The Downtown Partnership

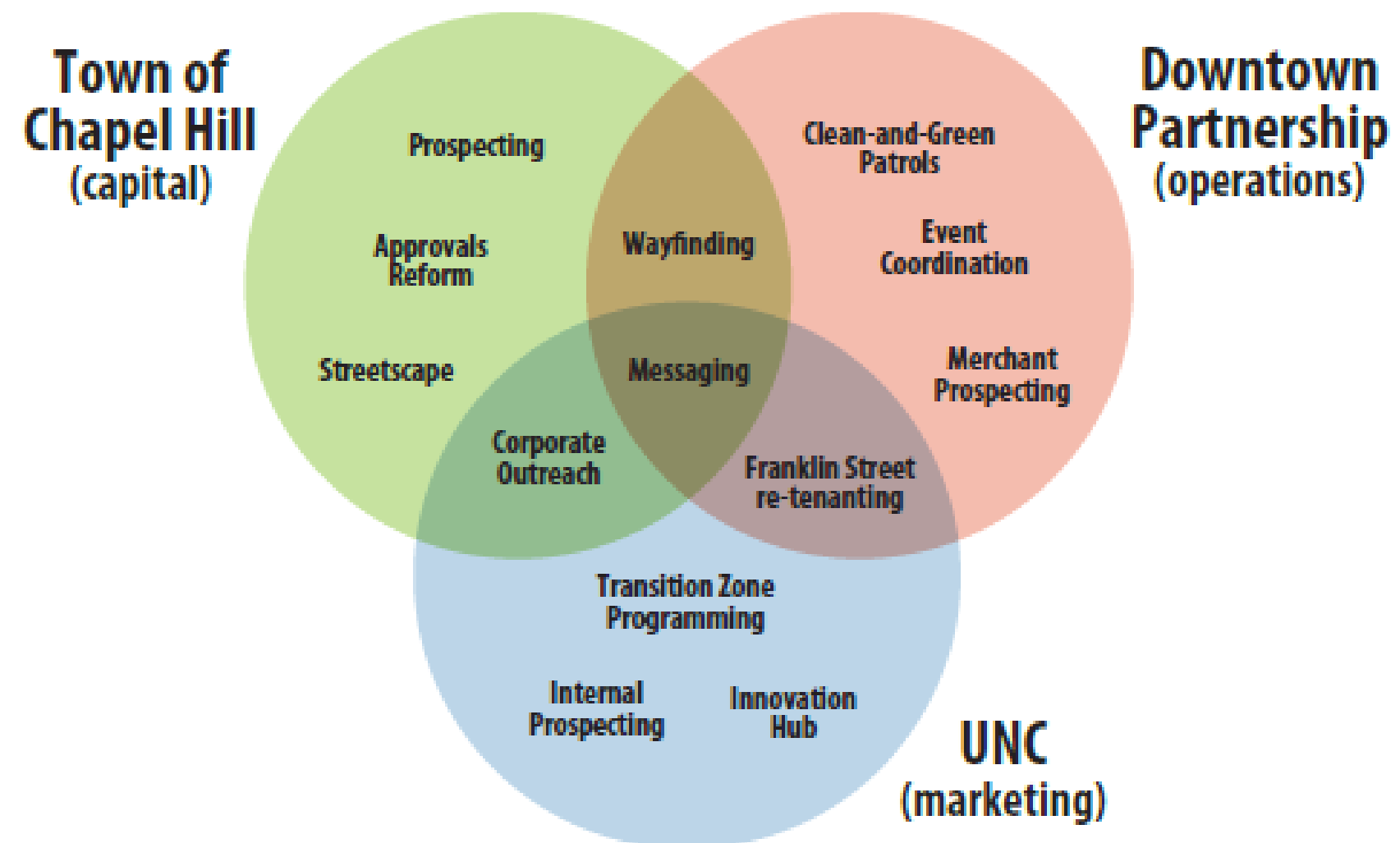
- Align goals to meet the needs in this plan.

The Town

- Consolidate downtown-related projects and staffing in one department. accordingly, and obtain appropriate funding.

UNC

- Integrate "economic development" in the larger goal of advancing UNC's standing in the world. This means integrating tech transfer and downtown development with internships, career placement, alumni relations, corporate partnerships, and giving.



Action



■ Communication

6/30/23: General concept awareness of innovation district concept among middle management in Town government and at UNC.

6/20/24: General awareness of innovation district concept among residents, staff, and students.

■ “Sparkle”

12/31/22: Punch list of "clean-and-green" actions defined and completed. Five-year improvement plan created for downtown. Planters replenished regularly.

6/30/23: Town gains control of Franklin from NCDOT. 80% favorable merchant rating for clean & green efforts.

6/30/2024: Bulb-outs completed on Franklin.

■ Marketing & Development

12.31.22: Meet with 12 corporations in their offices.

6.30.23: Innovation Hub grand opening. Meetings held with 24 corporations. One marketing event completed per month in previous six months. Completed agreement for land swap on key UNC sites downtown.

6.20.24: 80% occupancy at Innovation Hub. Three signed letters-of-intent with three major corporations of 10,000 s.f. each. Biddable designs for monument signs at key approaches to Chapel Hill.

■ Parking

12.31.22: Re-striping completed on Franklin.

6.30.23: Conceptual financing plan for shared parking.

6.20.24: Signed letter of intent for garage site off W. Franklin. Parking way-finding signs installed.

■ Approvals

6/30/23: Expedited approval process enacted for projects on Rosemary and Porthole Alley. Urban design priorities set for W. Rosemary.

6/20/24: New pilot review process developed for W. Rosemary.

■ Transition Zone

6/20/24: UNC visitor Center under construction.

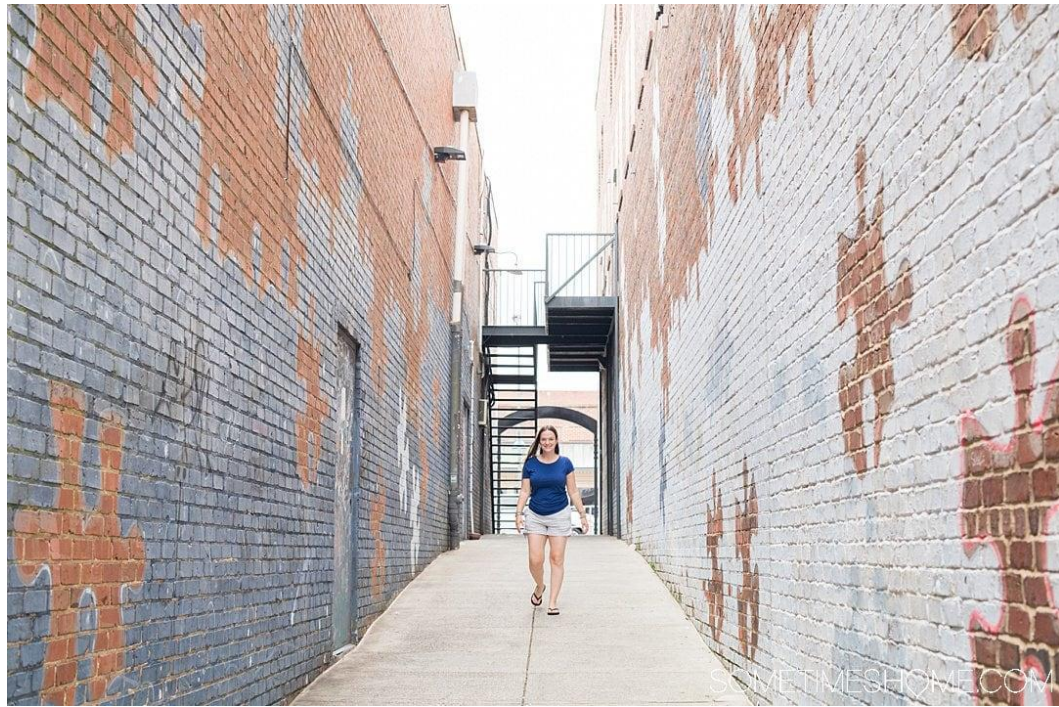
■ Programming

12/31/22: Six completed downtown events in previous 12 months.

6/30/23: Downtown reader board for UNC events installed. Average two downtown events held per month during prior year. 2-3 arts and game day-related events held downtown.

6/20/24: Average of four events per month held downtown in prior year. Two industry events held downtown in prior year. \$200,000 secured for programming downtown.

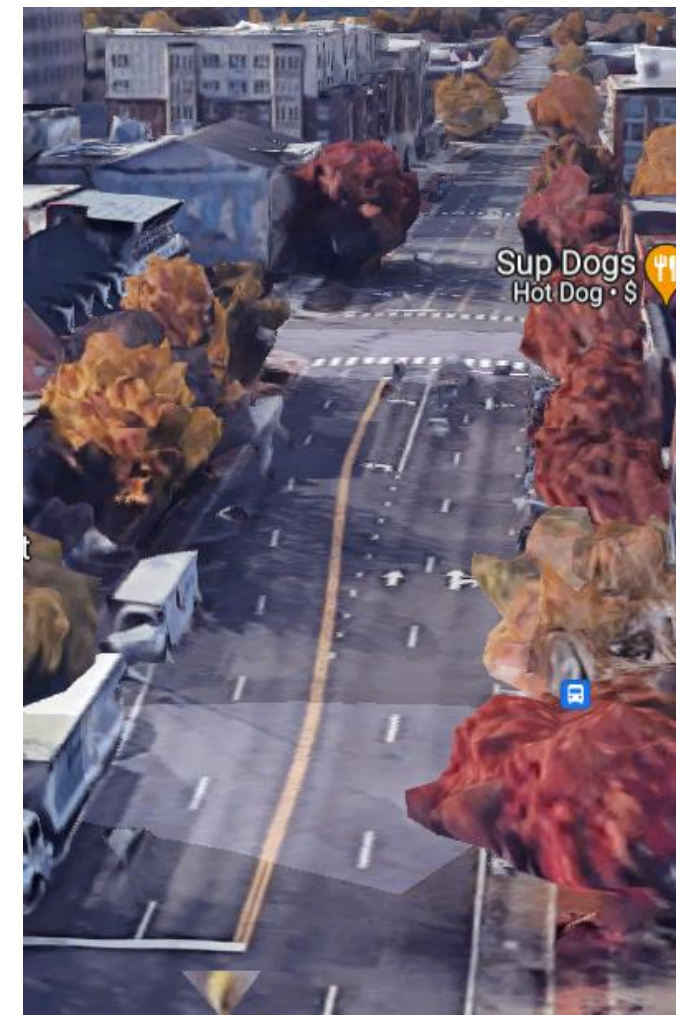
IMPLEMENTATION



Varsity Alley

Remove graffiti and clean brick. (ARPA)

Downtown Mobility Study
This will help in guiding our **Streetscape Enhancement planning** to guide how we use downtown streets. (ARPA)



Business recruitment

Working to call attention to the opportunities in office and wet lab spaces downtown.
(BUDGET & ARPA)



New planters for downtown
Some have already been added, and others have been ordered to improve our streetscape short term. (ARPA)



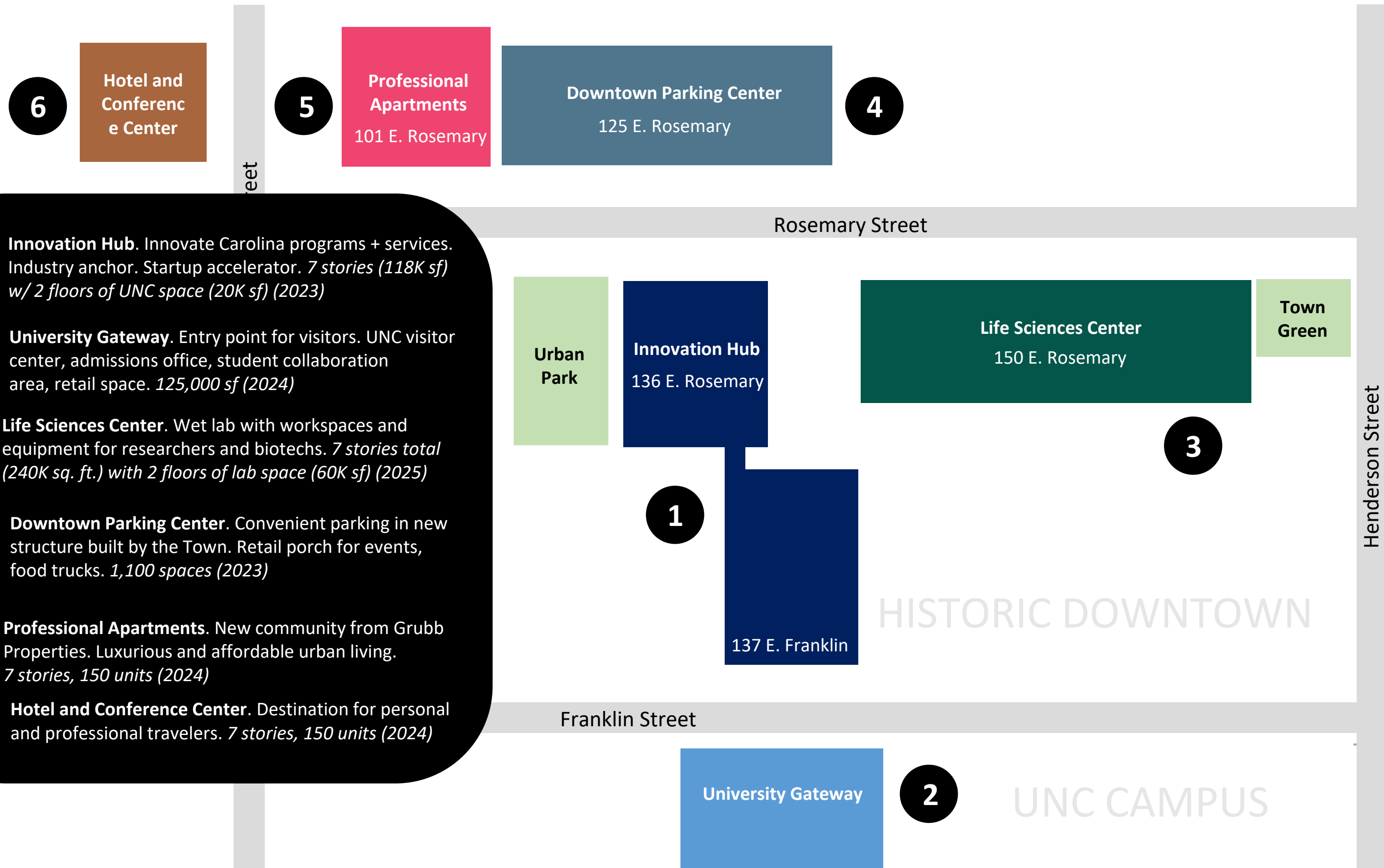
Rosemary Columbia Parking Lot

Remove attendant booth and trees (due to issues). Preparing a better experience to walk through the parking lot to the new parking deck. (BUDGET)

The Innovation District



Innovation District: Phase 1



- 1** **Innovation Hub.** Innovate Carolina programs + services. Industry anchor. Startup accelerator. *7 stories (118K sf) w/ 2 floors of UNC space (20K sf) (2023)*
- 2** **University Gateway.** Entry point for visitors. UNC visitor center, admissions office, student collaboration area, retail space. *125,000 sf (2024)*
- 3** **Life Sciences Center.** Wet lab with workspaces and equipment for researchers and biotechs. *7 stories total (240K sq. ft.) with 2 floors of lab space (60K sf) (2025)*
- 4** **Downtown Parking Center.** Convenient parking in new structure built by the Town. Retail porch for events, food trucks. *1,100 spaces (2023)*
- 5** **Professional Apartments.** New community from Grubb Properties. Luxurious and affordable urban living. *7 stories, 150 units (2024)*
- 6** **Hotel and Conference Center.** Destination for personal and professional travelers. *7 stories, 150 units (2024)*

HISTORIC DOWNTOWN

UNC CAMPUS

The Future of E. Rosemary

- 1,000 new jobs downtown
- 370,000 sf office/lab space
- 1,260 parking spaces (~700 net new)
- 150 apartments
- Two parks
- Six-story hotel (Rosemary + Columbia)
- \$4.24M increase of operating revenue in property taxes for town = 1,041% increase over 2018



Innovate Carolina Junction

Anchor to the innovate district

24K sq ft coworking space

Innovation Programming and
other amenities to foster
collaboration





Junction Timeline and Status

Innovate and Launch –currently on the 6th floor

Soft opening - end of July

86% office capacity

Grand opening – beginning of Sept

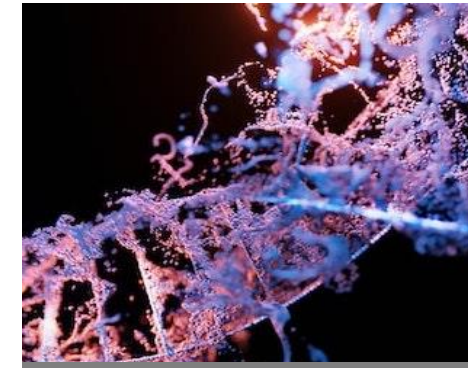
Innovate Carolina Signature Series

Programming that inspires and informs by featuring grand challenges and how together we are changing the world.

Gain momentum through joining the expertise of the university, community and industry partners

Spark new and expanded interest/collaborations between town, university, and industry partners

Create new economic development opportunities



Gene Therapy



AI-informed Transplants



Reinventing the ER



Access to Water



Stopping the Next Pandemic



Impact Investing



Sports Analytics



The Future of Work



Digital Health

University Gateway/Porthole Alley

- Home to UNC admissions and visitor center
- Connects innovation district to campus
- Opening Q4 2024



150 E. FRANKLIN STREET

Life Science Center

- 240,000 sf
- Wet lab and office space
- Opening Q3 2025



125 E. ROSEMARY STREET

Downtown Parking Center

- Consolidate parking on E. Rosemary
- Town constructing 1,100-space municipal deck
- Includes offices to house town's economic development & parking services
- Retail porch for events and food trucks
- Opening Q2 2024



101 E. ROSEMARY STREET

Professional Apartments

- Grubb Properties Link Apartments brand
- Design efficiency and resident amenities
- Low-cost, urban-infill living
- Opening Q1 2025



CORNER OF COLUMBIA + ROSEMARY STREETS

Elements Hotel



- Six-story hotel and conference center
- Opening Q4 2025

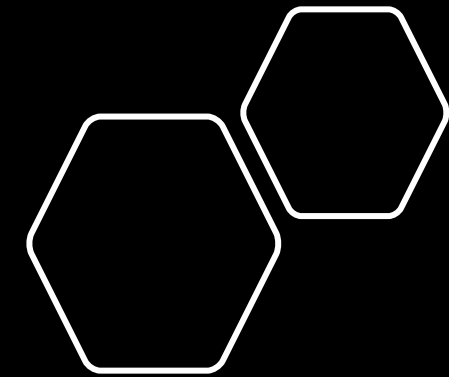
Questions?

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