

**Council Committee on Economic Sustainability Meeting Notes**  
**February 2, 2018**  
**Chapel Hill Public Library, Room A**

Attendees: Mayor Pam Hemminger, Council Member Michael Parker (Chair), Council Member Nancy Oates, Council Member Rachel Schaevitz, Council Member Karen Stegman, Council Member Hongbin Gu, Gordon Merklein, Flo Miller, Ben Hitchings, Jeanne Brown, Rae Buckley, David Finley, Kayla Seibel, Ralph Karpinos, John Richardson, Beth Vazquez, Fred Lampe, Meg McGurk, Ed Harrison, Julie McClintock, John Morris, Katie Loovis, Aaron Nelson, Jeff Denny, Patrick McDonough, Tony Sease, and Steve Brantley.

Chair Michael Parker opened the meeting at 8:07 a.m.

**Updates**

(Please see slides linked throughout for additional information.)

[Planning and Zoning](#)<sup>1</sup>

- Planning and Development Services Director Ben Hitchings reviewed new projects coming forward and reminded the Committee of the Development Activity Report on the Town website
- Special Use Permits (recommended that Council not talk with folks outside of the public hearing)
  - 11 Sixty 5 Weaver Dairy Road (mixed-use, three-story office, reviewed by staff, no date in mind for Council)
  - Active Adult Retirement (Homestead Road, 190 apartments, public information meetings in December & January, not yet scheduled for review by advisory boards and Council)
  - CASA Merritt Mill (finishing up staff review, will be coming to Council soon)
  - Chapel Hill Cooperative Preschool (application to add parking)
  - Chapel Hill High School (addition; will be presented later this spring)
- Mr. Hitchings also briefly reviewed the two development agreement projects, Blue Hill District projects, and special projects

**Business**

[Update on Marketing and Draft Statement](#)<sup>2</sup>

- Economic Development Officer Dwight Bassett introduced Jeff Denny of Liaison Design
- Mr. Denny reviewed approach to promoting Chapel Hill as a great place for business; working now to build creative messaging
- Reviewed community comparison research and takeaways from post-doc and millennial listening sessions
- Council Member Parker asked how national political climate affects our ability to build a national brand
  - Mr. Denny acknowledged there is a perception about North Carolina because of HB2, though it's less severe than it was two years ago; lifestyle brand is more open; Open2

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<sup>1</sup> <http://www.townofchapelhill.org/home/showdocument?id=38483>

<sup>2</sup> <http://www.townofchapelhill.org/home/showdocument?id=38463>

Business is primary driver of what we want to communicate, and Chapel Hill as a place that is open to all will be at center of messaging

- Council Member Nancy Oates asked about strategies for changing long-held perceptions by the commercial real estate community
  - Mr. Bassett said we've pointed to new development in the Blue Hill District, the two development agreements negotiated in 2014 (Obey Creek and Glen Lennox), and Carraway Village; making some inroads
- Council Member Hongbin Gu asked if we have statistics on how business is created in Chapel Hill
  - Mr. Denny pointed to the challenge that the process is so different in each community; our strategy is to point to anecdotal successes
- Mr. Denny introduced a draft external positioning statement (see presentation)
  - Council Member Parker said the statement sells Chapel Hill to everybody, but the only thing that talks about business is the word companies; he also remarked that, looking at the data, compared to competitors we are a much lower cost place to live – we should be making the point that you can get all this wonderful stuff in Chapel Hill for half the price of what you'd get in Berkeley
  - Mayor Pam Hemminger commented that the statement pulls together all of our assets, including infrastructure and lifestyle, though it is long
    - Mr. Denny added that we don't want to send this to people in full; it's meant to be all encompassing, and individual pieces can be pulled out
  - Council Member Karen Stegman remarked that Durham has all of this too, just more of it – it's not differentiating enough
    - Mr. Bassett said we needed a really broad frame for our story – we have to go deeper to set ourselves apart from other communities in the region
  - Council Member Rachael Schaevitz commented that Chapel Hill as a great place to raise a family is missing from the statement
  - Council Member Gu highlighted that the great public schools are also an important consideration for businesses
- Mr. Denny summarized feedback (more business, family friendly, public schools, outdoor spaces) and outlined next steps, including to:
  - enter into a relationship with a PR firm to help us tell the story;
  - build a consistent graphic identity that aligns with the Open2 Business concept; and
  - create a strategy for promoting Chapel Hill
- Council Member Parker said the University is also interested in economic development and asked if we are aligning our efforts
- Mayor Hemminger highlighted Launch as a good place to see Town/University fusion
- Council Member Schaevitz asked if our poor reputation is limited to commercial real estate
  - Mr. Denny said commercial real estate brokers are so influential in helping choose initial places to consider
  - Mr. Bassett offered that it's a process of reinforcing each success
- Council Member Parker added that branding is great, but you have to live up to your brand, and if there are things impeding us, we need to make sure we're able to walk the walk; this isn't just about Economic Development making us ready for business, it's about all of us, elected officials

and other Town departments, doing what needs to be done to make us an attractive place for businesses to come and grow

### [Station Area Planning](#)<sup>3</sup>

- Mr. Hitchings oriented the Committee to the special project featured this month – Station Area Planning – and introduced Patrick McDonough, Manager of Planning and Transit-Oriented Development for GoTriangle
- Mr. McDonough provided a brief update on the status of the Durham-Orange Light Rail investment being considered
- Mr. McDonough introduced Tony Sease, Principal with Civitech working as a sub-consultant to Gateway, to talk about the economic development potential of the Gateway Station
- Mr. Sease introduced a regulatory/zoning framework called Transit-Oriented Development (TOD) whereby economic development opportunities can be capitalized
- Key characteristics of TOD are that it:
  - Crafts walkability
  - Enhances equity in mobility
  - Increases choices in housing, retail, and access to jobs
  - Improves quality of life and location efficiency (ability to access daily needs and services on foot or by bike and achieve multiple trip purposes in one destination)
- Mr. Sease highlighted the potential for TOD at the proposed Gateway Station, which straddles the Durham/Orange line, across 15-501 from Eastowne and on the west side of I-40
  - Development is tied to the characteristics of the district
- Mr. Hitchings said the bottom line is that they are building a proposed update to the zoning ordinance to create a Transit-Oriented Development zoning district to capture and advance these outlined community benefits, so that as new development occurs in these areas, they will be consistent with our community orientation
- Council Member Parker asked how the zoning will create a street network
  - Mr. Sease replied that this happens through specific criteria articulated in the text amendment
- Council Member Oates suggested that this could still be a useful development node even if the light rail isn't developed
- Mr. Hitching reviewed a tentative timeline for bringing the text amendment forward (see presentation)

### [Incentive Guidelines Presentation and Discussion](#)<sup>4</sup>

- Dwight Bassett reviewed the Commercial Development Strategy and presented a refined incentive policy
- The committee discussed the following points:
  - Council Member Schaevitz asked why the cost per square foot is higher in Chapel Hill
    - Mr. Bassett explained this is not related to the cost of land, but that the cost post-entitlement is what skews the market

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<sup>3</sup> <http://www.townofchapelhill.org/home/showdocument?id=38481>

<sup>4</sup> <http://www.townofchapelhill.org/home/showdocument?id=38457>

- Council Member Parker commented that we have these guidelines, but nothing about them is automatic
  - Mr. Bassett said if there's an ask, he would take it to the Town Manager who would share it with the Mayor; the Mayor would then decide whether to bring it into a closed session with the Council for discussion; Council would then decide whether or not to pursue the incentive and, if yes, make a recommendation based on these guidelines; if Council were to proceed, it would come back as an agenda item in an open session
- Council Member Gu observed that this kind of incentive package is appropriate for more traditional businesses, but maybe not for start-ups, and suggested more flexible criteria
  - Mr. Bassett pointed out that this is addressed by alternative criteria 1 and 2; emphasized flexibility in guidelines
- Gordon Merklein asked about alternative incentives, like physical space or programming opportunities
- Council Member Parker mentioned the business loan program and asked whether it might be integrated into some other things we're doing; suggested this program be presented in more detail at a future meeting
- Council Member Schaevitz suggested that efforts to incent creation of new business be linked to branding
- Council Member Gu said she would like to see more specific incentives for high-tech companies to show that Chapel Hill values research
  - Council Member Parker remarked that the challenge is in thinking about how we're selective about who we incent, rather than offering an incentive to every new company
- The Committee agreed to bring the draft policy to the full Council for discussion

#### Other Committee Discussion

- John Morris expressed concerns about the funding impact of the DOLRT project and urged Orange County and Chapel Hill to start talking directly with the Federal Transit Administration and to our congressional delegations to find out if this is a viable project
- Aaron Nelson commended the Committee on continuing to meet; also suggested including talent pool in branding message so people say, not only do I want to live in Chapel Hill, but I also want to work there
- Fred Lampe expressed concerned about the numbers Tony Sease presented on projected revenue for the Gateway Station without also presenting costs; also raised concern about the increasing cost of Town services and cautioned that we need to be careful about what kind of development occurs in this potential new zone
- Ed Harrison emphasized that this area (Gateway) greatly affects the quality of life for residents in eastern Chapel Hill
- Patrick McDonough remarked that it does look like the federal government could only be a 20% partner on infrastructure projects, including transportation; he added that figures on infrastructure cost will be available later this spring
- Mayor Hemminger said that, if there is a significant change in federal partnership, the signatory counties would go back to deliberate

Motion to adjourn at 10:01 a.m.