



The State of Economic Development in Carrboro, NC May 2015

This report is an overview of existing Town of Carrboro economic development plans, policies, and goals from three primary Town planning documents; 1) Vision 2020, 2) Creating Carrboro's Economic Future, and 3) Local Living Economy Task Force Recommendations. Also included is a brief overview of economic development goals for Orange County and Chapel Hill to help in understanding the larger economic ecosystem for the community.

The data is provided as a means of measuring stated goals and identifying future goals and aspirations. Additional data collection will be needed as the planning process moves forward. No specific conclusions or recommendations are included in this report. It is the intention of this report to be a starting point for updating the Town's economic development plans and strategies including the Local Living Economy Task Force Recommendations.

An Overview of Policies

Attached is a collection of recommendations from the three primary documents that serve as guiding principles for economic development in Carrboro (Attachment 2). Vision 2020 was adopted by the Board of Aldermen in December of 2000 and was a community driven planning process that set out to establish guiding principles for growth and development through the year 2020. It had a large number of citizen volunteers who were instrumental in facilitating and collecting ideas, visions, covering numerous topics and Town services including economic development.



The first objective in the Economic Development portion of Vision 2020, Section 3.1 - *“With the population of Carrboro expected to increase during the Vision2020 period, additional commercial development should be anticipated both downtown and in peripheral areas. Carrboro should seek to reduce the tax burden on single-family owners by increasing the percentage of commercial space in town.”* Reducing the tax burden on owners of single family residential of Carrboro has been a central and reoccurring theme in many of the Town’s policies. The goal to double the percentage of commercial space in the downtown and accomplish this by building up thereby increasing density can be found in Section 3.2 of Vision 2020.

Creating Carrboro’s Economic Future Report was submitted in 2006 to the Board of Aldermen set out to expand opportunities for citizens to have “more good jobs” and to “pursue meaningful work.” From the Creating Carrboro’s Economic Development Future report *“There is no doubt that Carrboro has achieved the goal it set almost twenty years ago, in its previous economic development plan, to become an entertainment district. But that was then and this is now; town leaders today recognize that Carrboro has the potential, and even the imperative, to be much more than a place where residents and others spend their leisure time. It needs to become a town where there are more good jobs and more opportunities for citizens and others to pursue meaningful work.*

Leaders also recognize that if the town is to continue to remain such a vibrant community it needs additional resources. Without additional tax revenue from businesses, the continuation of Carrboro’s high level of services will require an increasing burden on residents.” Previously in Vision 2020, the stated goal was to relieve tax burdens on single family owners, Creating Carrboro’s Economic Future expands the goal to include all residents, owners and renters.



The Local Living Economy Task Force was created by the Board of Aldermen to investigate and evaluate strategies by which the Town of Carrboro could help foster the development of a sustainable, locally owned and run economy. The Task Force came out with its recommendations in May of 2010. The document has specific recommendations, including Branding, which was also a recommendation of Creating Carrboro's Economic Future. All task force recommendations have been addressed and are continually considered in Town initiatives.

Orange County and Chapel Hill

Orange County last updated their Economic Development Plan in 2005 (Attachment 3). That plan, which was Advisory Board driven, had an aggressive goal to create 5,000 new private sector jobs in Orange County and add \$125,000,000 in new commercial property by June 2010.

Chapel Hill's Economic Development Goals were updated as part of the [Town's 2020 Plan](#), which can be found on the Chapel Hill's website and a summary is attached here (Attachment 4). Chapel Hill's focus is similar in finding an appropriate ratio of commercial to residential development, "*Evaluate optimal ratio for office, retail and residential uses to meet Chapel Hill 2020 plan goals.*" In addition, Chapel Hill's effort in working toward lessening the cost to the tax payer includes a stated cost/asset management goal.

How Are We Doing?

Carrboro has been tracking the amount of commercial square footage permitted and built since the year 2000 when the Vision 20/20 Plan was adopted. The original stated goal was to double the commercial square footage in the downtown, also there was a general overall goal to increase commercial tax base throughout the



entire town. This report can be found on the Town's website under the Planning and Inspections Department webpage ([Active Projects](#)).

To date the Town has increased commercial square footage by 31% throughout the entire jurisdiction. There are additional projects that have been permitted, but not yet built, that would increase total commercial square footage by 55%. However, at the same time residential projects have continued to be approved and the overall percentage of residential (90%) to commercial (10%) has held steady since 2004.

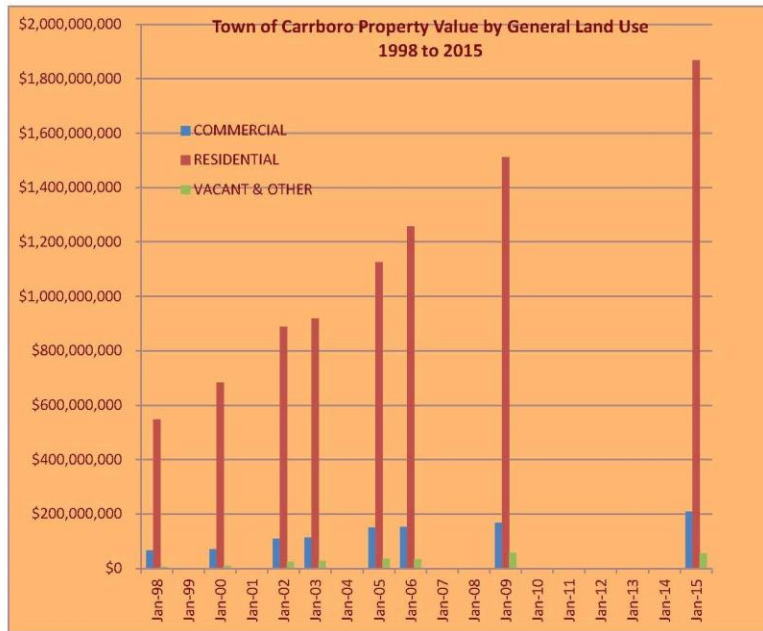
The following table represents the cost to taxpayers per capita since 2002 for Town services.

Year	Property Valuation	Tax Rate	Tax Levy	Population	Per Capita	Adjusted Inflation	Percentage Commercial
2002	\$1,036,750,609	0.6568	\$ 6,823,845	17456	\$ 390.92		
2003	\$1,072,172,066	0.6852	\$ 7,359,660	17585	\$ 418.52	\$ 398.35	
2004	\$1,128,465,441	0.6852	\$ 7,750,451	17648	\$ 439.17	\$ 411.49	10%
2005	\$1,152,569,042	0.7148	\$ 8,260,004	17797	\$ 464.12	\$ 425.48	
2006	\$1,373,291,304	0.6244	\$ 8,588,393	18000	\$ 477.13	\$ 436.12	11.50%
2007	\$1,596,838,299	0.6244	\$ 9,639,881	18200	\$ 529.66	\$ 448.33	10.23%
2008	\$1,538,585,984	0.6537	\$ 10,048,754	18611	\$ 539.94	\$ 465.37	10.58%
2009	\$1,581,966,677	0.6863	\$ 10,824,131	19479	\$ 555.68	\$ 463.51	
2010	\$1,915,872,793	0.5894	\$ 11,213,669	19891	\$ 563.76	\$ 470.92	
2011	\$1,939,126,061	0.5894	\$ 11,386,243	19582	\$ 581.46	\$ 484.58	
2012	\$1,972,777,796	0.5894	\$ 11,708,787	19582	\$ 597.94	\$ 494.76	
2013	\$2,003,172,468	0.5894	\$ 11,754,299	19582	\$ 600.26	\$ 502.18	
2014	\$2,088,514,087	0.5894	\$ 11,792,234	20908	\$ 564.01	\$ 510.21	10%

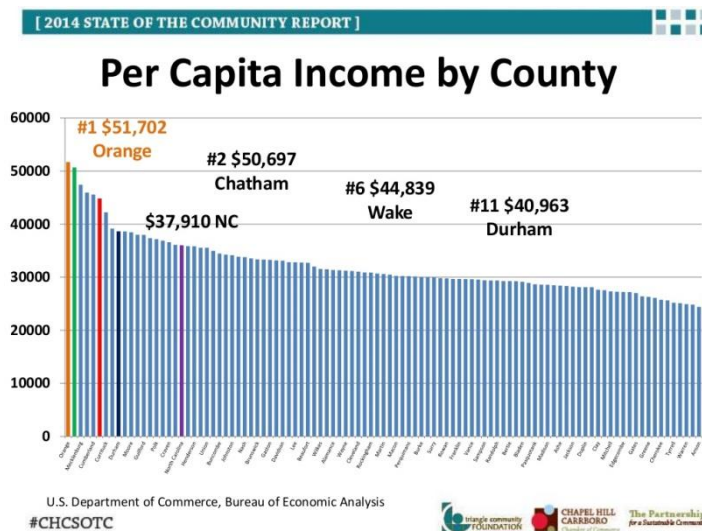
Table 1

Using the adjusted for inflation number, taxpayers are paying 10% more for Town services in 2014 than paid in 2002. In 2014, taxpayers paid \$564.01 per capita, however they received \$1019 per capita in services.

The following chart shows the changes in values in properties over time by general land use categories.



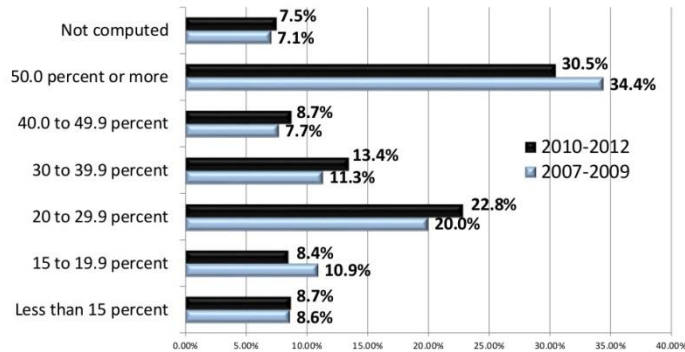
The Chapel Hill/Carrboro Chamber of Commerce annually produces a report known as State of the Economy. The slideshare can be found in its entirety at <http://slidesha.re/1vSYcaT>. The following are a few select slides that illustrate some of the economic and social conditions in Carrboro/Orange County for 2014.



Orange County has the highest per capita income of any county in the state.

[2014 STATE OF THE COMMUNITY REPORT]

Orange County Gross Rent as a Percent of Household Income



U.S Census Bureau

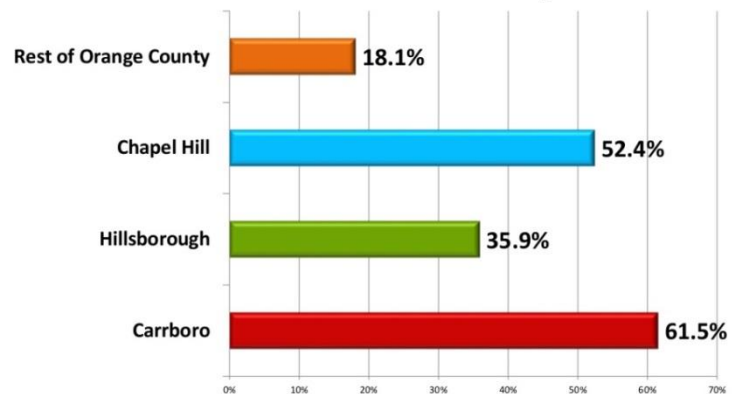
#CHCSOTC



Between 2010 and 2012 30.5% of people who rent spent 50% or more of their household income on rent.

[2014 STATE OF THE COMMUNITY REPORT]

Percent Renter-Occupied



U.S. Census Bureau

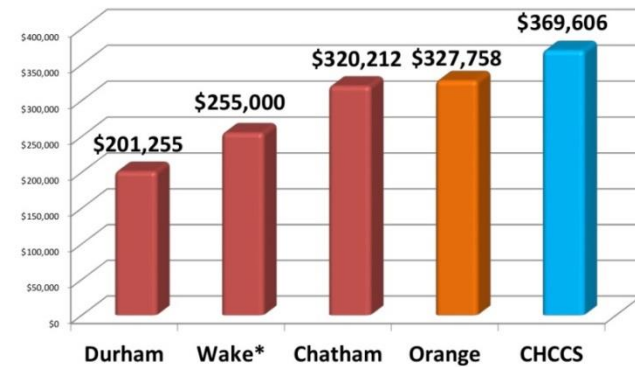
#CHCSOTC



61.5% of the homes in Carrboro are renter occupied.

[2014 STATE OF THE COMMUNITY REPORT]

2013 Average Home Price by County



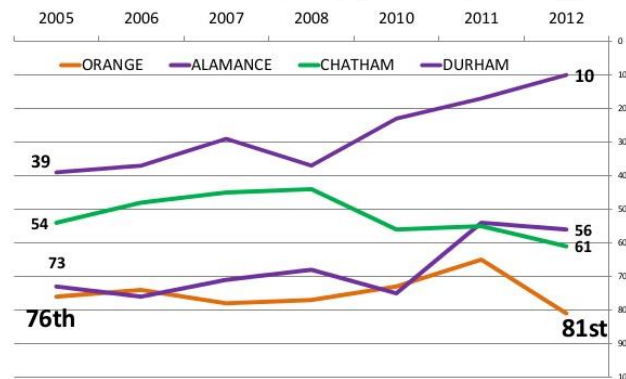
Triangle Multiple Listing Service
#CHCSOTC



Orange County and the Chapel Hill Carrboro School Districts have some of the highest property values in the Triangle Region.

[2014 STATE OF THE COMMUNITY REPORT]

Sales Tax Per Capita Rankings



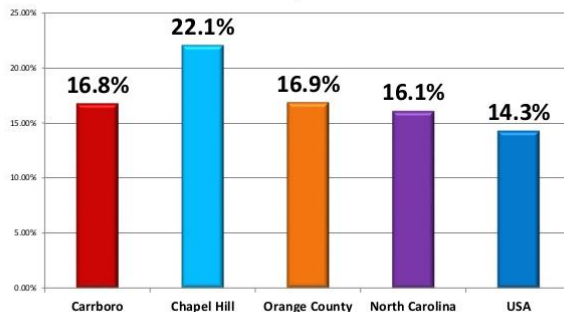
John Locke Foundation
#CHCSOTC



Orange County ranks 81st in the state for sales tax collections per capita

[2014 STATE OF THE COMMUNITY REPORT]

Percent of Persons Living Below Poverty Level



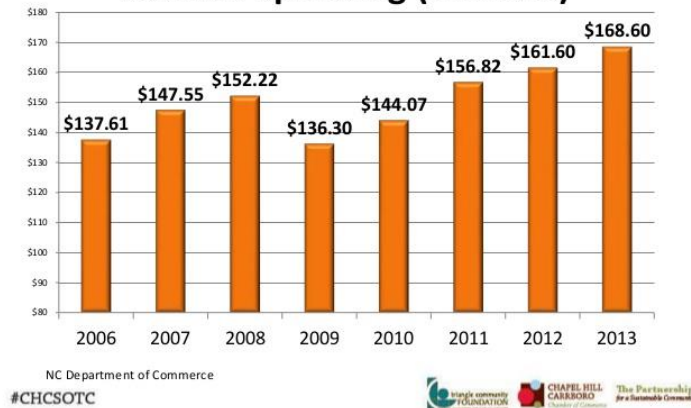
U.S. Census Bureau
#CHCSOTC



Carrboro is slightly higher in numbers of persons below the poverty level than the State.

[2014 STATE OF THE COMMUNITY REPORT]

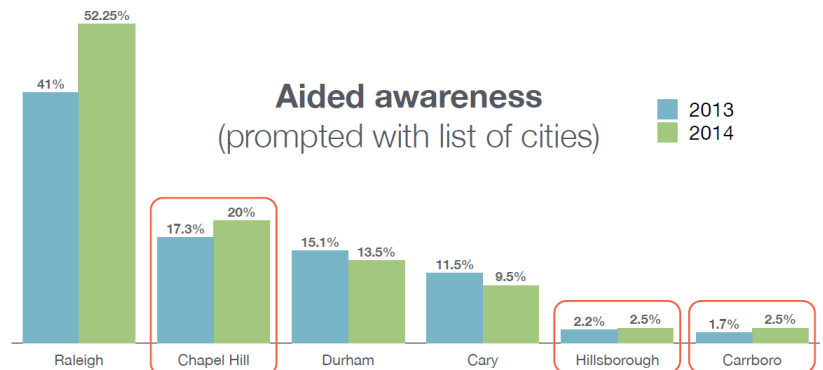
Orange County Tourism Spending (millions)



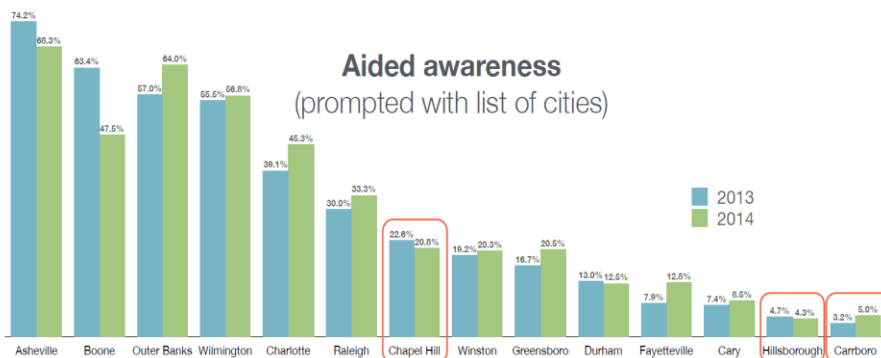
The Tourism industry is growing in Orange County.

Awareness of Carrboro brand by business travelers has increased 32% between 2013 and 2014.

If traveling to **the Triangle for business**, in which city would you choose to stay overnight?



When thinking of **quick overnight getaways** in NC, which of the following destinations would you consider?



Awareness of the Carrboro brand by leisure travelers has increased by 36% between 2013 and 2014.



How is Orange County doing?

Based on information received from the State of NC's Employment Security Commission, Orange County job growth from 2005 through 2014 was approximately 5,846 positions (*source Orange County Economic Development*). Which would indicate the Orange County meets its goal of 5000 new jobs.

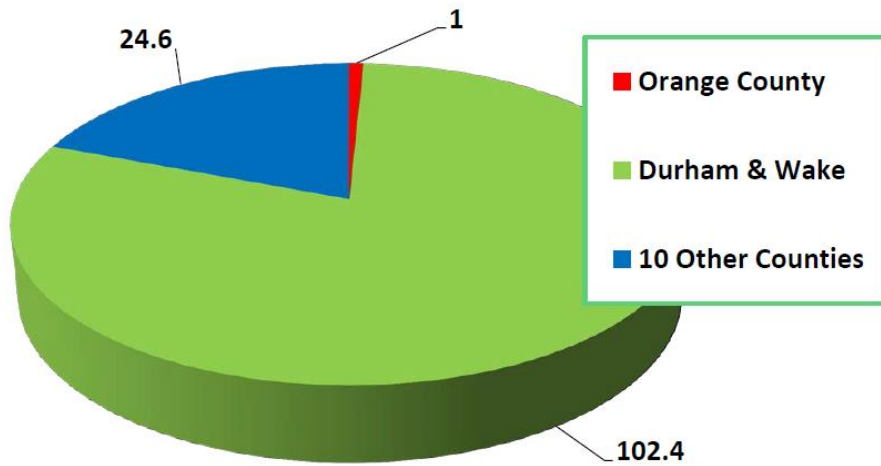
Complete data is not available in regards to the amount of new investment since 2005, but Steve Brantley of the Orange County Economic Development Department provided examples of major new and expanding industrial "development, in terms of jobs and taxable and non-taxable investment are for example;

- AKG North America's 2011 warehouse expansion of \$3 million and 90 new jobs.
- GE Industrial Energy Solutions' \$12 million expansion and transfer of 100 jobs from Salisbury to Mebane/Orange County.
- MeadWestvaco's 2012 \$7 million expansion and 100 new jobs.
- Morinaga's ongoing project in 2014-2015 to investment an initial \$48 million and employ 90 (phase one).
- UNC Health Care (\$200 million, 300 employee hospital in Hillsborough), and all of the UNC additions and renovations on campus.

Keeping up with UNC's many university and hospital developments, which do create jobs, but are not taxable property, is a huge dollar investment and jobs growth. The eventual departure of Blue Cross Blue Shield and its announced relocation of 900 Chapel Hill-based jobs over to the Durham campus should be netted out of the jobs number for Orange County.

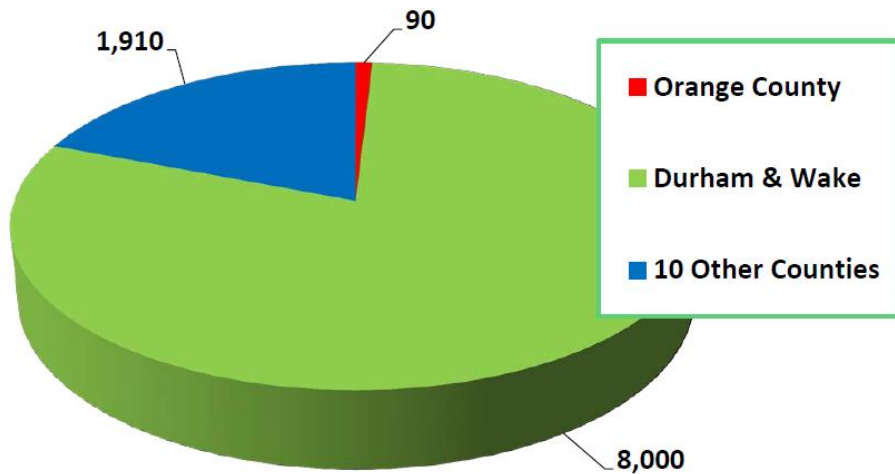
The following slides are from an Orange County Economic Development presentation and represent 2011/12 figures (Attachment 5).

New & Expanding Companies



Research Triangle Regional Partnership

New Jobs Over Next 5 Years



Research Triangle Regional Partnership

Additional Economic Development data from the 2013 Census Estimates can be found in Attachment 6 comparing Carrboro, Chapel Hill, Orange, Wake and Durham counties.



What Now?

The Board of Aldermen by Resolution (Attachment 7) directed the ESC to begin the work of updating the Local Living Economy Task Force Recommendations and establishing updated goals and objectives for economic development. The Economic Sustainability Commission has begun this work with the intention of following the BALLE handbook “Growing Local Living Economies: A grassroots approach to Economic Development.” The BALLE Handbook covers the following topics;

- I. Vision
- II. Indicators
- III. Assets
- IV. Leakages
- V. Business Alliances
- VI. Building Blocks
- VII. Local Purchasing
- VIII. Entrepreneurship
- IX. Community Capital
- X. Meta-Business
- XI. Public Policy
- XII. Moving Forward

Staff is providing this report as a benchmark for the planning process and to assist the Board and ESC in affirming current and updating/creating new vision statements, policies and goals in regards to economic development for the Town of Carrboro. The ESC is meeting the fourth Wednesday of each month to work through the Handbook to update the Local Living Economy Task Force Recommendations. This report serves as a starting point for data collection and discussion on updating of this plan.

This report was compiled by Annette Stone, AICP, Economic and Community Development Director for the Town of Carrboro and submitted to the Board of Aldermen for review on May 12, 2015.