

2023 Critical Issues Series: The Economic Development Forum



The Chamber

For a Greater Chapel Hill-Carrboro

#CHCCriticalIssues



Orange County Economic Development Update

April 27, 2023

SizeUp Orange County

NORTH CAROLINA

SizeUp is a cloud-based research tool that gives Orange County businesses and aspiring entrepreneurs an industry data analysis dashboard that empowers them to:

- Discover potential **customers** and **suppliers**
- Optimize **advertising** and **marketing**
- Analyze the **characteristics** and **spending** of consumers
- Existing businesses can **rank** their industry performance across multiple measurements



Additional SizeUp features include a **Small Business Advisor** and **Shop Local** components.

Financial Grant Programs

Orange County Economic Development operates two financial programs that assist Small Business Grant and Agriculture Grant operations. These 2 programs accept [applications](#) on a [quarterly](#) basis through **Submittable**, an online platform.

- **Business Investment Grant** (since 2015)
 - Awards Made: 218
 - Funds Granted: \$1,107,878
- **Agriculture Grant** (since 2015)
 - Awards Made: 94
 - Funds Granted: \$751,875
- **Special COVID Grants & Loans**
 - Awards made: 122
 - Funds Granted: \$522,000

Total: 434 Awards and \$2,381,753

Visit [GrowInOrangeNC.com](https://www.growinorange.com) for more information



Welcome! Below you will see all of our current opportunities.

- You will need to create a free Submittable account or sign in with Google or Facebook credentials to submit to these forms.
- You can [save a draft](#) if your work if you would like to finish filling out the form at a later date.
- If you need to make changes to your form, please [withdraw](#) your submission and resubmit.
- If anything changes with the information you submitted, please request to [edit the submission](#).
- Our platform works best on Google Chrome, Firefox, and Safari. Internet Explorer is not supported. Please make sure you are using a supported browser.
- [You can download Firefox by following the instructions linked here.](#)
- [You can download Chrome by following the instructions linked here.](#)

We will follow-up with you about your submission by email. Please be sure to [enable](#) notification emails from Submittable and check the email you used to sign up for your Submittable Account regularly. Check out the [Submitter Resource Center](#) or reach out to Submittable's Customer Support team with any technical questions [here](#).

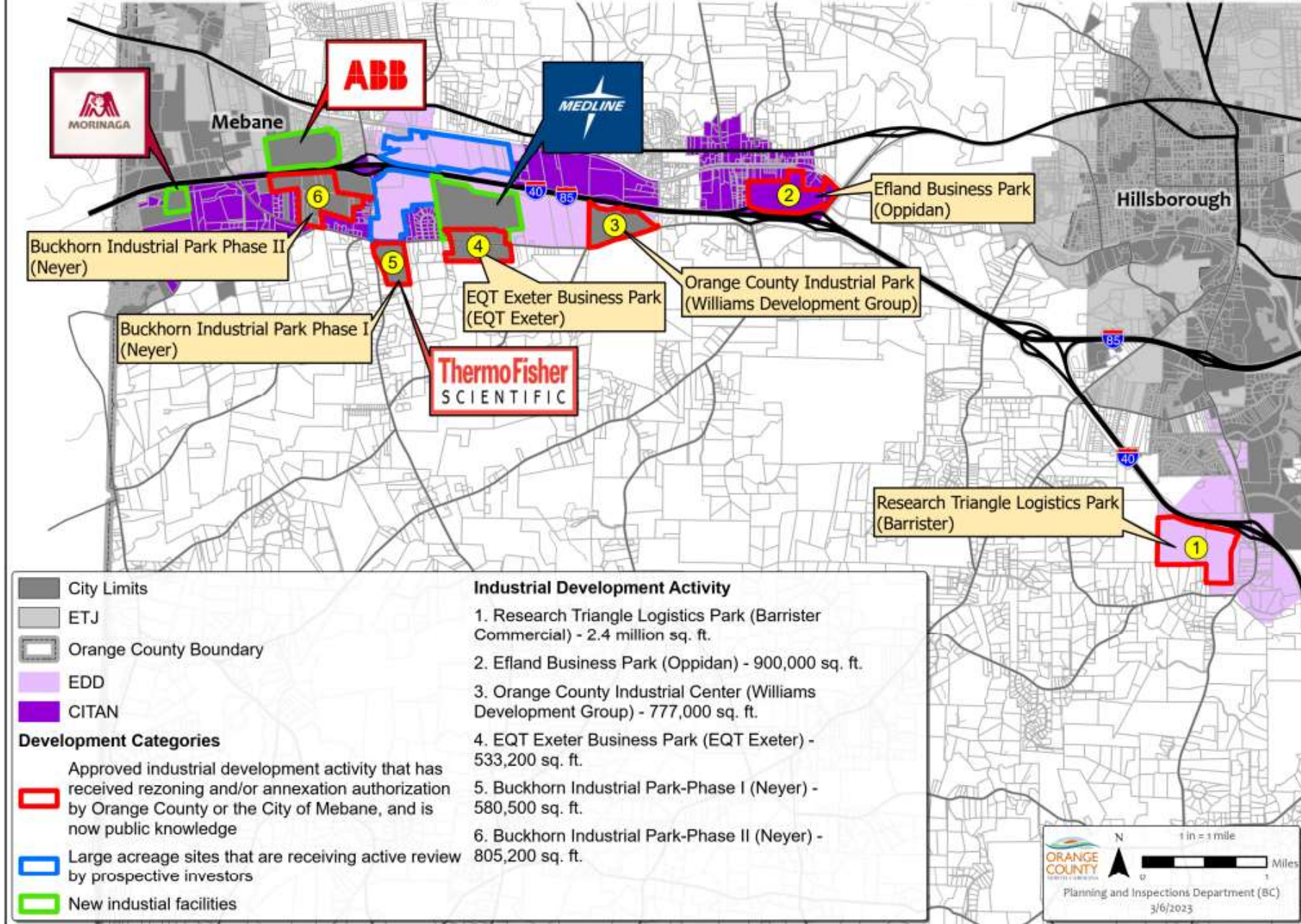
2Q 2023 Orange County Agricultural Economic Development Grant Application

Ends on June 30, 2023

Submissions



Orange County's Interstate Business Parks and Sites

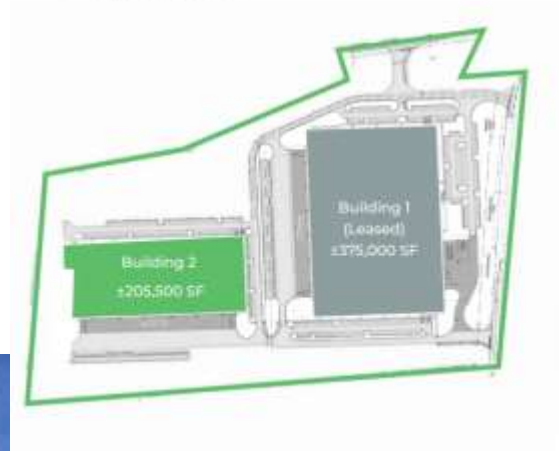


Spec Industrial Development Example



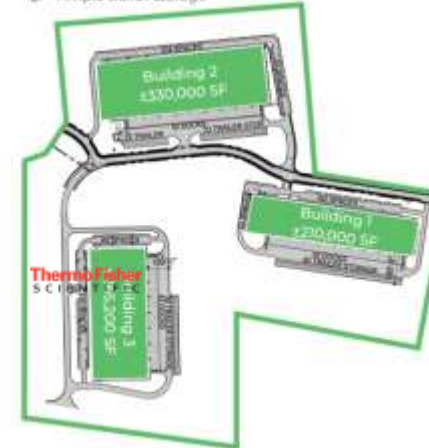
BUCKHORN I PROPERTY OVERVIEW

- **±47 acre** Class A industrial Development located directly on the **I-85 / I-40 corridor** in Mebane, NC
- One (1) available building totaling **±205,500 SF**
- Available **Q3 2022**
- Ample trailer storage



BUCKHORN II PROPERTY OVERVIEW

- **±84.2 acre** Class A industrial Development located directly on the **I-85 / I-40 corridor** in Mebane, NC
- Three (3) buildings totaling **±805,200 SF**
- Available **Q2 2023**
- Ample trailer storage



Recruitment Activity Since 2019

New jobs and investment in Orange County from recent project announcements by retail, commercial and industrial businesses

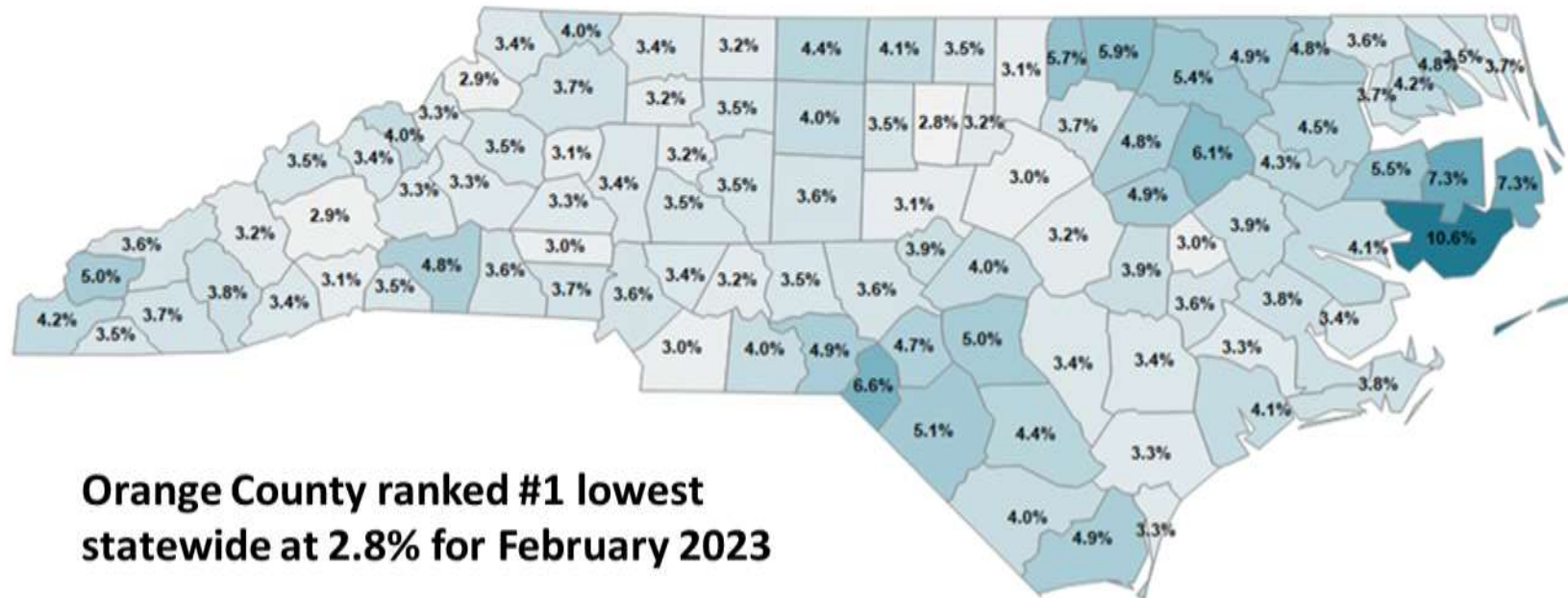
Company	Jobs	Average Wage	Investment (\$ Million)	Full Employment Expected by
ABB*	403	\$70,789	\$39.9	Dec. 2024
Medline*	250	\$35,468	\$80.0	Jan. 2026
Piedmont Metalworks*	42	\$41,236	\$4.15	Dec. 2024
Wegmans*	350	\$12-15/hr	\$18.0	Feb. 2026
Well Dot*	400	\$63,656	\$3.5	Dec. 2025
Thermo Fisher Scientific	200	N/A	\$234.0	N/A

- Wegmans generates \$1.5 million/year in local retail sales tax
- * BOCC approved recruitment incentives for 5 projects listed above
- These projects total 1.9 million sq. ft. of new construction.



LOCAL UNEMPLOYMENT RATES

» February 2023



Orange County ranked #1 lowest statewide at 2.8% for February 2023



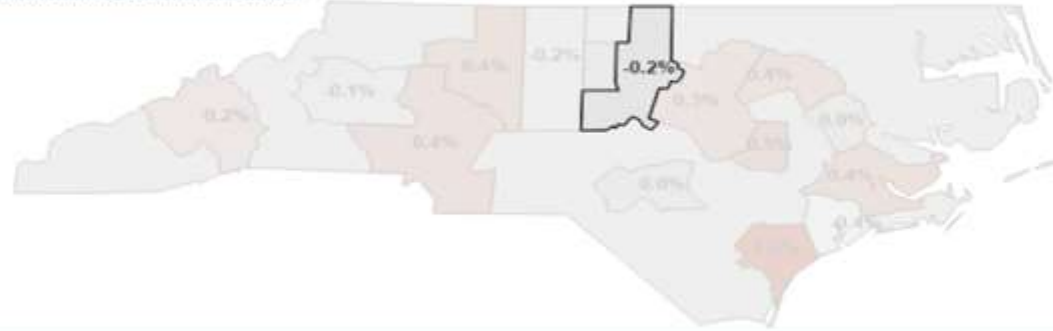
METRO AREA JOBS

» February 2023 Data



METRO JOB CHANGE SINCE PREVIOUS MONTH

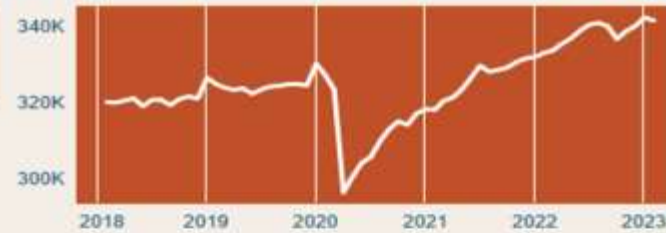
Click a metro area to filter jobs numbers below



Durham-Chapel Hill MSA

TOTAL NONFARM JOBS (seasonally adjusted)

Jobs	Monthly Change	Yearly Change
341,900	-800 (-0.2%)	8,500 (2.5%)



INDUSTRY JOBS CHANGE (not seasonally adjusted)

Compared to Previous Month

Prof. & business services	1.7% (1,000)
Government	1.4% (900)
Mining, Logging, & Construction	1.0% (100)
Leisure & hospitality	0.4% (100)
Manufacturing	0.3% (100)
Education & health services	0.1% (100)
Other services	0.0% (0)
Information	0.0% (0)
Financial activities	-0.6% (-100)
Trade, transportation, & utilities	-1.0% (-400)

Compared to One Year Ago

Leisure & hospitality	9.4% (2,300)
Information	6.9% (400)
Prof. & business services	4.7% (2,700)
Government	2.7% (1,700)
Other services	2.7% (300)
Education & health services	1.9% (1,400)
Manufacturing	1.7% (500)
Mining, Logging, & Construction	1.0% (100)
Financial activities	-1.2% (-200)
Trade, transportation, & utilities	-1.7% (-700)

Thank you!

Steve Brantley, Director

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GrowInOrangeNC.com



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An aerial photograph of the Chapel Hill campus, showing a dense cluster of university buildings, green spaces, and trees. The image is slightly desaturated and serves as a background for the text.

The Economic Development Forum

April 27, 2023

The Chamber for a Greater Chapel Hill-Carrboro

CHAPEL HILL

OPEN2.BIZ

In 2018, Chapel Hill had about 53,000 jobs. Chapel Hill residents filled only about one-eighth of those local jobs.

Even though the number of local jobs sharply increased between 2018 and 2020, the percent of Chapel Hill residents working in Chapel Hill fell from 41% to 30%.

- In the last 16 years, the number of Chapel Hill residents working locally fell by 1000 people.

Chapel Hill residents hold 13% of all jobs in Chapel Hill.

There have been 129 lab-based start-ups at UNC.

Of the 129 start-ups, 47 are still based in Chapel Hill.

- During that same period, the number of Durham residents working locally increased by 4431 people.

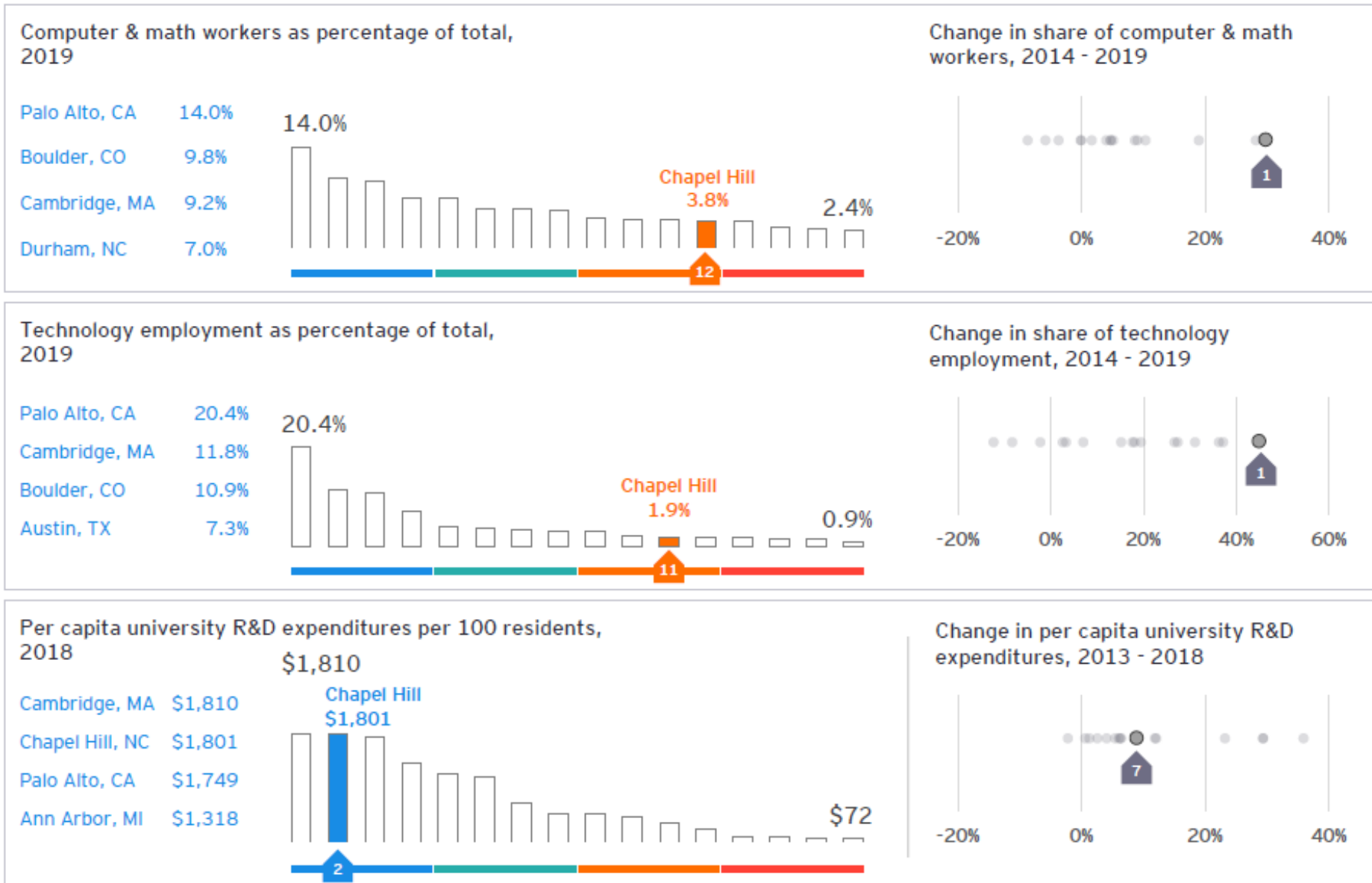
In Durham, residents hold 30% of all jobs in the city

Chapel Hill retained only 36% of the lab-based start-ups.

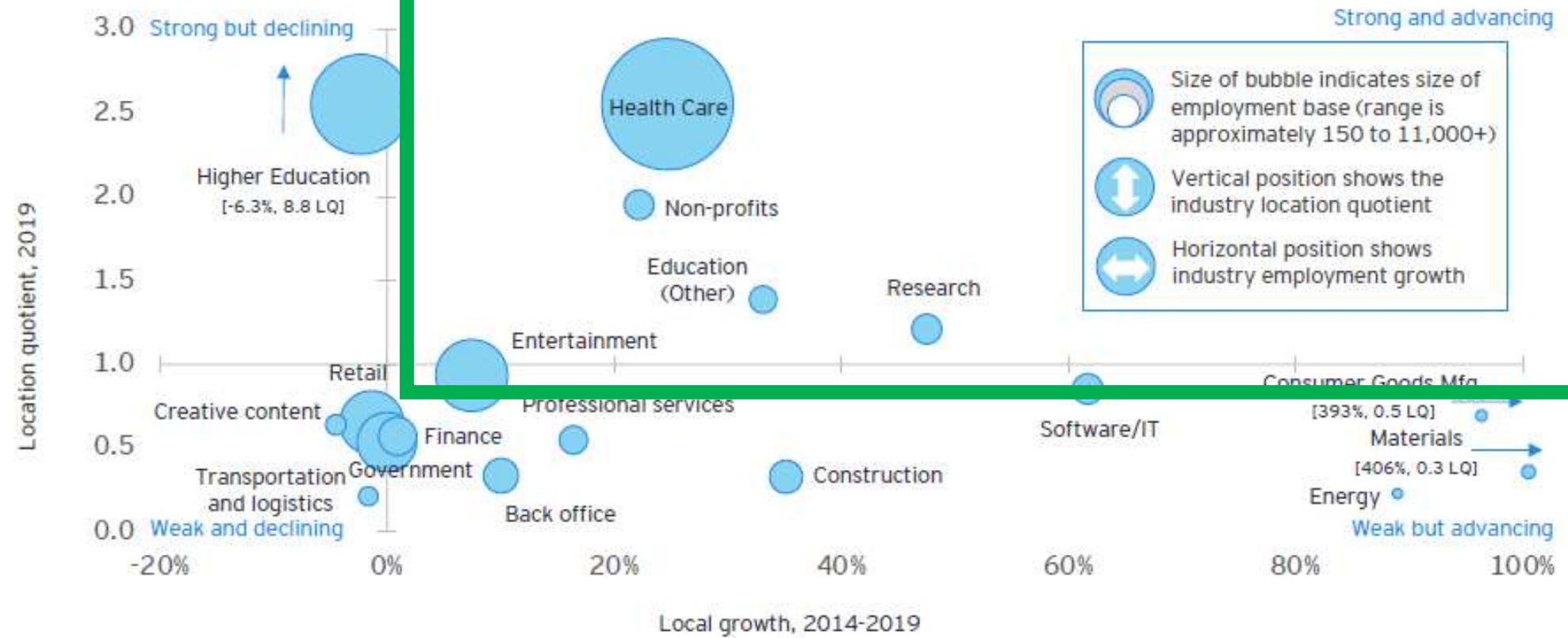
Of the active startups that are still in Chapel Hill, only 1 has significant capital raised. The rest are \$0 to just under \$13M

The need for jobs and space for life science companies.

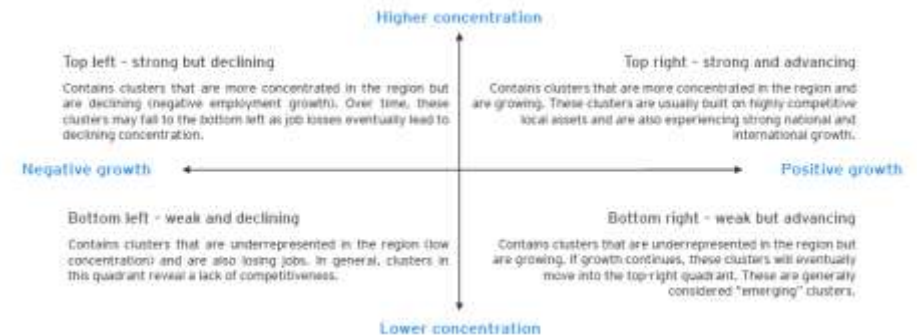
Innovative



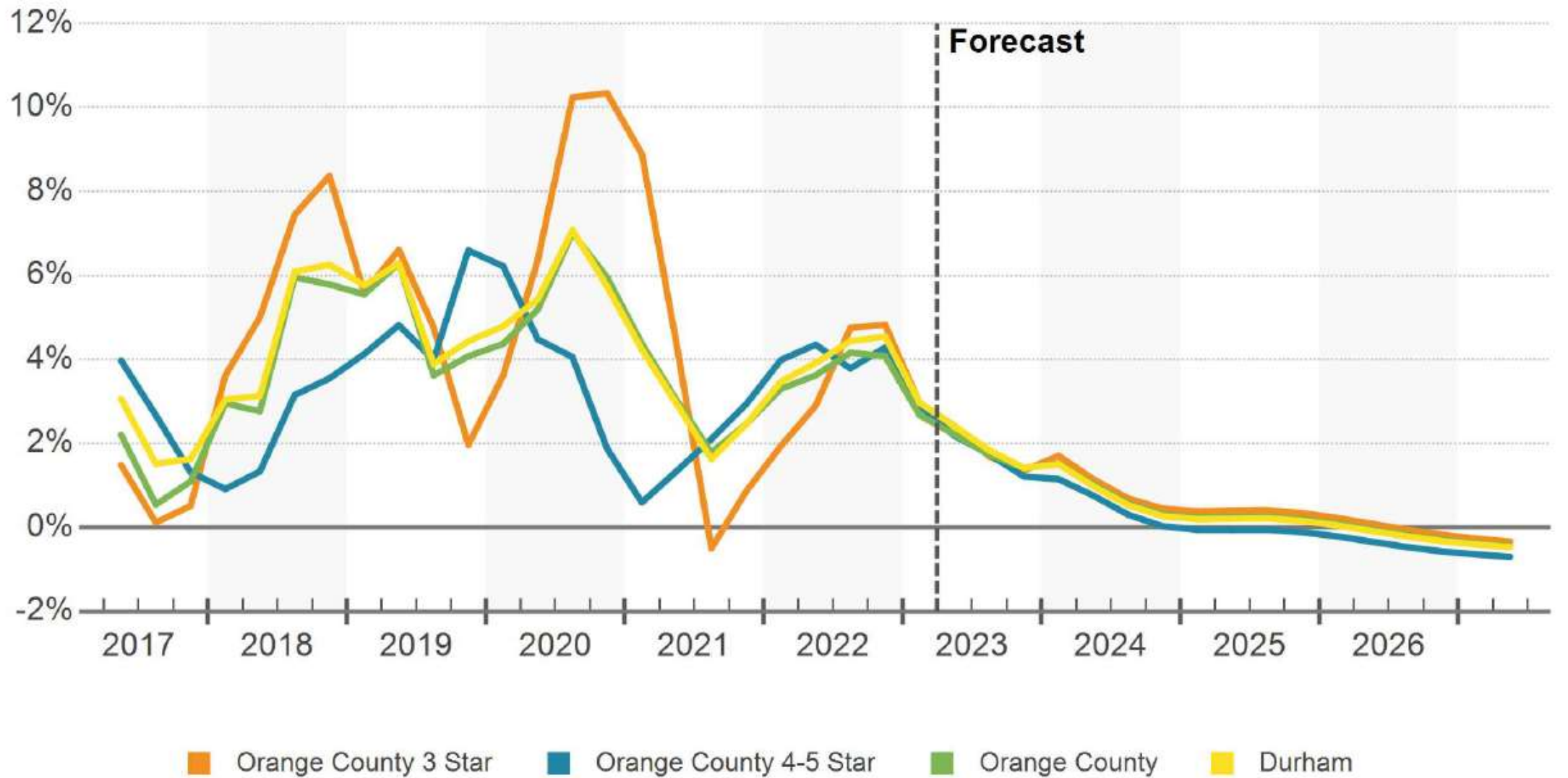
Chapel Hill industry cluster performance



Source:
EMSI (only clusters with more than 100 jobs are shown).



MARKET RENT GROWTH (YOY)



Economic Development Goals

CHAPEL HILL

OPEN2.BIZ

1. Continue to implement ReVive goals
2. Marketing & Communications
3. Business facilitation and ombuds
4. Town and Gown relations
5. Downtown Together (Innovation District Plan)

Stories and News



BIOLABS' NEW CHAPEL HILL OUTPOST SET TO BE LAUNCHPAD FOR EARLY-STAGE BIOTECH STARTUPS

Launching an early-stage biotech startup in the Triangle is about to get a whole lot easier.



MERRITT PROPERTIES BREAKS GROUND FOR NORTH CHAPEL BUSINESS CENTER

The groundbreaking ceremony for Merritt Properties' new two flex/light industrial buildings, North Chapel Business Center, took place Wednesday afternoon on November 9th, 2022. This new construction signifies a Town development vision coming into fruition, with this type of space fulfilling a current need for Chapel Hill businesses.



REVIVE OPPORTUNITY GRANT YIELDS BASNIGHT MARKET "GARDEN SPOT"

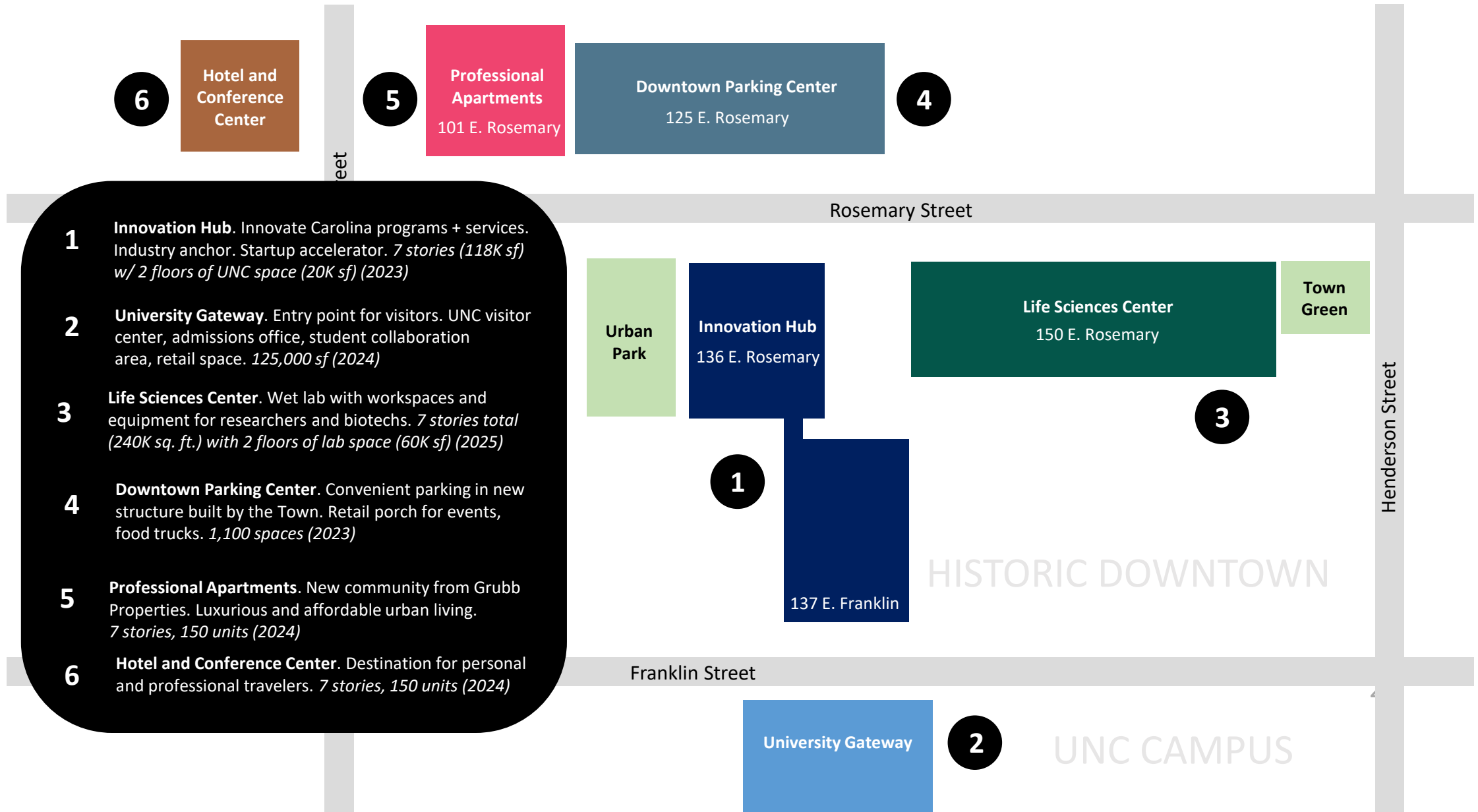
A new weekend market for food entrepreneurs is coming to downtown Chapel Hill. Garden Spot is located behind Lantern Restaurant (423 W. Franklin St.). The Lantern Restaurant project is one of the opportunity grant recipients from the Town of Chapel Hill, awarded as part of the ReVive recovery plan. Through this program, participating small food businesses will have access to low-cost commercial kitchen space and other support, including business mentorship, networking, marketing, and local business-development resources.

<https://www.open2.biz/blog>

- The Innovation District



Innovation District: Phase 1



6

Hotel and Conference Center

5

Professional Apartments
101 E. Rosemary

Downtown Parking Center
125 E. Rosemary

4

- 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)*

Rosemary Street

Urban Park

Innovation Hub
136 E. Rosemary

1

137 E. Franklin

Life Sciences Center
150 E. Rosemary

3

Town Green

Henderson Street

HISTORIC DOWNTOWN

Franklin Street

University Gateway

2

UNC CAMPUS

University Gateway/Porthole Alley



- Home to UNC admissions and visitor center
- Connects innovation district to campus
- Opening 2025

150 E. FRANKLIN STREET

Life Science Center

- 240,000 sf
- Wet lab and office space
- Opening 2025/2026



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 2025



CORNER OF COLUMBIA + ROSEMARY STREETS

Elements Hotel



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

Top Challenges

- Make Downtown cleaner, safer, and more attractive to earn a premium for place
- Improve the Development Approval process
- Proactively market the district to attract business
- Upgrade Parking



An aerial photograph of a city, likely Chapel Hill, North Carolina, showing a dense urban area with a prominent university campus in the center. The campus features several large, classical-style buildings and a central green space. The surrounding city is filled with residential and commercial buildings, interspersed with trees. The overall scene is captured from a high angle, providing a comprehensive view of the city's layout.

Questions?

The Economic Development Forum

April 27, 2023

The Chamber for a Greater Chapel Hill-Carrboro

CHAPEL HILL

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Carrboro Economic Development

Local Economic Development Forum



A Few Reflections

- Distributed over \$325,000 in small business grants
 - Another round likely to come later this year
- Trained 16 Entrepreneurs
- Completed a Downtown Parking Study Update

Current Development Projects

Lloyd Farm

- Development Review Completed
- Construction Plans for Phase I have been submitted, distributed, and are being reviewed
- Next Step: Construction
(Project on pause due to economic uncertainty and construction cost increases)
- This project represents a significant increase in the Town's property tax



Current Development Projects

201 N. Greensboro (CVS Lot)

- Site Plan approved in 2022
- Waiting on construction plans submission
- Next Step: Construction
- Represents private investment interest in the core of the Town; increases the commercial tax base; and better utilizes a vacant lot



Current Development Projects

ArtsCenter

- New location at 400 Roberson Street
- Site plan approved in 2022
- Construction plans have been submitted and under review
- Continued investment within the Town core



Current Development Projects

203 Project

- Site Plan approved in 2021
- New parking deck to hold 173 spaces.
- Construction currently underway
- Next Step: Grand Opening
- Largest public investment in the Town in decades



Development Projects Under-Review

South Green

- Phase I & II construction completed and leased
- Alternative mixed-use designs are being made for Phase III
- Text Amendments currently under review
- Next Step: Text Amendment Approvals
- While this project is already impacting both property taxes, full development will continue to decrease residential tax load



Completed Development Projects



Club Nova

Economic Development Goals

Projects of Interest

- Downtown Small Area Plan
- Downtown Parking Plan Changes
- Revamped Revolving Loan Program
- Disparity Study

Thank you!

Contact: Jon Hartman-Brown
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JHartman-Brown@CarrboroNC.gov



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Eastowne Medical Campus

April 27, 2023



Existing Campus Development: Eastowne MOB I



Project Highlights

- ✓ Opened March 2021 (phased opening through April 2021)
- ✓ 150,000 sf six-story multi-disciplinary care building and 1,080 stall parking deck in Chapel Hill
- ✓ Represents a transformation in how care is delivered (and how space is designed) in the ambulatory setting
- ✓ Focused on enhancing the **patient experience**; positive feedback

Eastowne Development – Why?

- Provide affordable and accessible health care
- Better patient experience
- Keep it local – within the Chapel Hill community
- Move and decompress outpatient services from the Medical Center
- Increase bed capacity and throughput at the Medical Center

Revised Proposed Eastowne Development – Use, Size, & Timeline

Primary Use:	Health care and associated functions, research, and site-specific retail
Size:	~1.1M sq. ft. net new (excluding ET1)
Number of buildings:	6 (plus 3-4 structured parking) (excluding ET1)
Development Timeline:	1 building every 3-5 years Full build out 25+ years Medical Office Building 2 - ASAP

Eastowne Development at Full Build Out with Parking on N20 (if required)



Community Benefits

UNC Health presented the following community benefit options to the Town:

- \$5M 10-year revolving loan at 0% interest with a 10-year renewal option
- \$3M 10-year revolving loan at 0% interest with a 10-year renewal option + \$30k in payments in-lieu per building per year upon completing construction

Note: In 2022, UNC Health provided ~\$34M in unreimbursed care to patients within the Town of Chapel Hill

Each year, UNC Health and/or its subsidiaries directly pay (payments in-lieu) and indirectly pay (reimbursement of property taxes to third-party landlords) ~\$1.6M to Orange County and the Town of Chapel Hill

Questions & Discussion

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The logo for UP University Place features the lowercase letters 'up' in a bold, black, sans-serif font. A light green horizontal bar is positioned under the 'u'. To the right of 'up', the words 'UNIVERSITY' and 'PLACE' are stacked vertically in a bold, black, uppercase, sans-serif font.

up UNIVERSITY
PLACE

ECONOMIC DEVELOPMENT FORUM

APRIL 27, 2023

The logo for 'ram' consists of the lowercase letters 'ram' in a red, lowercase, sans-serif font. Below the letters, the tagline 'people making places' is written in a smaller, red, lowercase, sans-serif font.

ram
people making places

University Place

- Originally built 1973
- Approx. 360,000 SF
- Acquired in December 2018
- Special Use Permit modification approved in June 2021
- Construction commencement October 2022



EXISTING TENANTS



REVISED RESOLUTION A
(Approving the Request)

A RESOLUTION APPROVING AN APPLICATION FOR SPECIAL USE PERMIT MODIFICATION FOR UNIVERSITY PLACE, 201 S. ESTES DRIVE (2021-06-28/R-6)

BE IT RESOLVED by the Council of the Town of Chapel Hill that it finds that a Special Use Permit Modification application, proposed by Jessica Hardesty of McAdams, on behalf of RRPV University Chapel Hill Limited Partnership, located at 201 S. Estes Drive on property identified as Orange County Property Identifier Number 9799-12-5797, if developed according to the plans dated November 15, 2019 and last revised November 12, 2020, the Design Standards dated November 13, 2020, and the conditions below would:

1. Be located, designed, and proposed to be operated so as to maintain or promote the public health, safety, and general welfare;
2. Comply with all required regulations and standards of the Land Use Management Ordinance;
3. Be located, designed, and operated so as to maintain or enhance the value of contiguous property; and
4. Conform to the general plans for the physical development of the Town as embodied in the Land Use Management Ordinance and in the 2020 Comprehensive Plan.

MODIFICATIONS TO REGULATIONS

BE IT FURTHER RESOLVED by the Council of the Town of Chapel Hill that it finds, in this particular case, that the proposed development with the following requested modifications to regulations satisfies public purposes to an equivalent or greater degree:

Section 3.8.2 Dimensional Regulations: to modify the setbacks and height as noted in the tables below:

LOCATION	MODIFIED SETBACK
Street Setback (Willow Drive)	0-20 foot Build-to-Zone
Street Setback (Fordham Blvd)	0 foot min Max with parking: 77 feet Max
Interior Setback	0 foot
Solar Setback	0 foot

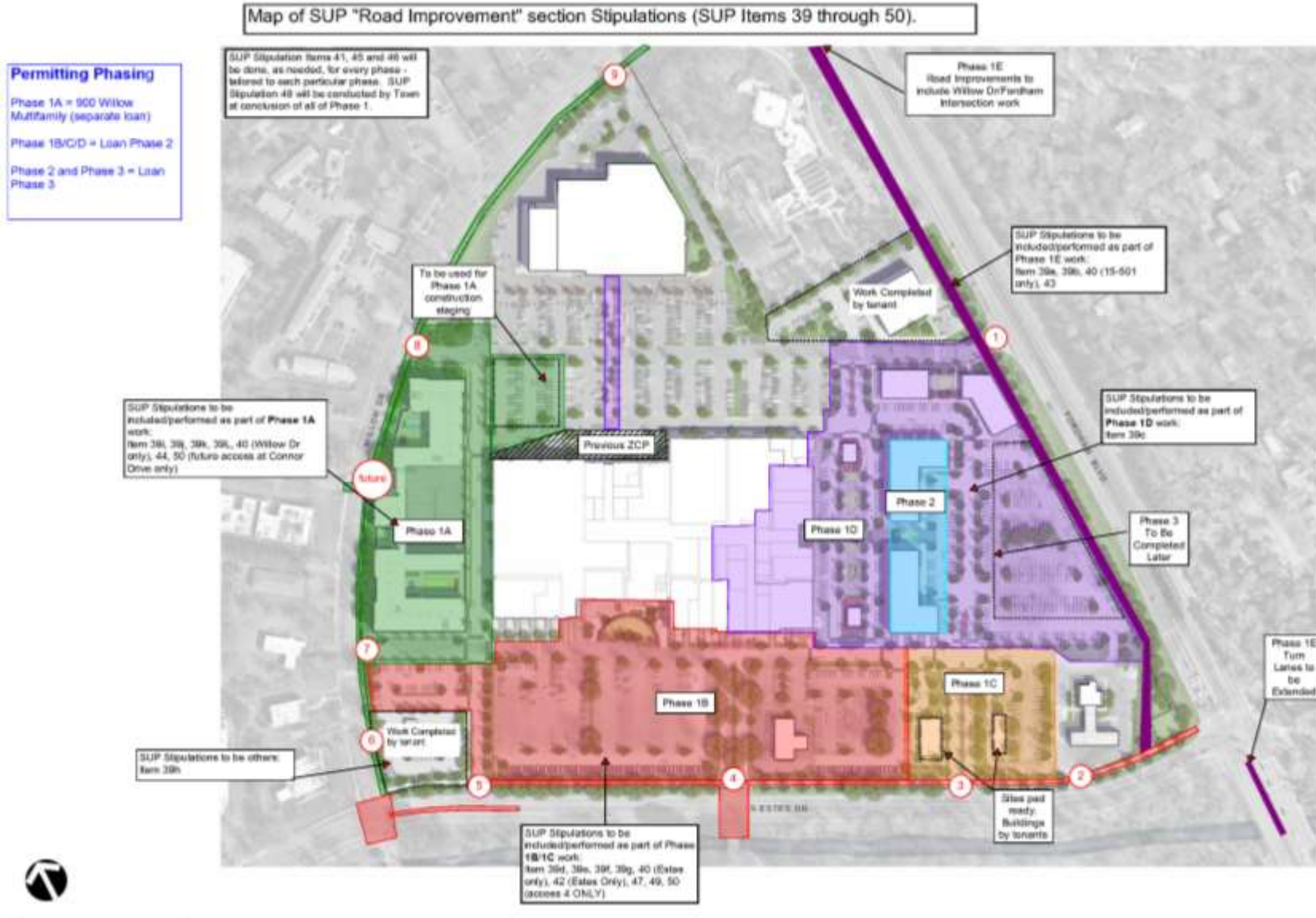
This finding is based on a determination that the public purposes are satisfied to an equivalent or greater degree as the standard setback requirements would be replaced with build-to-zone requirements outlined in the proposed Design Standards.



PHASED DEVELOPMENT APPROACH

Logistics

- 6 phases of proposed development with multiple permits
- Need to maintain access to existing tenants
- Concerns of ability to deliver buildings for tenant use
- Coordination between Town, NCDOT, OWASA and other agencies
- Multiple contractors



University Place

- Sitework underway
- Demolition began March 2023
- Phased construction and delivery approach
- 3 contractors working on site
- Businesses remain open



EXISTING CONDITIONS



Aerial view of demolition from the northwest



Aerial view of demolition from the southeast

SITE PLAN AT FULL BUILD OUT

University Place

- 300,000 SF outward facing commercial in existing mall footprint
- 60,000 SF commercial in up to 12 new buildings
- 60,000 SF of proposed office
- 253 –multifamily apartments
- ~150 hotel rooms
- ~240 space parking garage
- Phased deliveries beginning Q3 2024



RETAIL RENDERINGS



RETAIL RENDERINGS



IMPROVEMENTS TO EXISTING STRUCTURE



Façade Improvements

- Updated materials
- New glazing and storefronts
- Updating flood requirements

NEW OUTPARCEL CONSTRUCTION

9 NEW RETAIL OUTPARCELS

- Variation of size and scale
- Variety of deal structure types



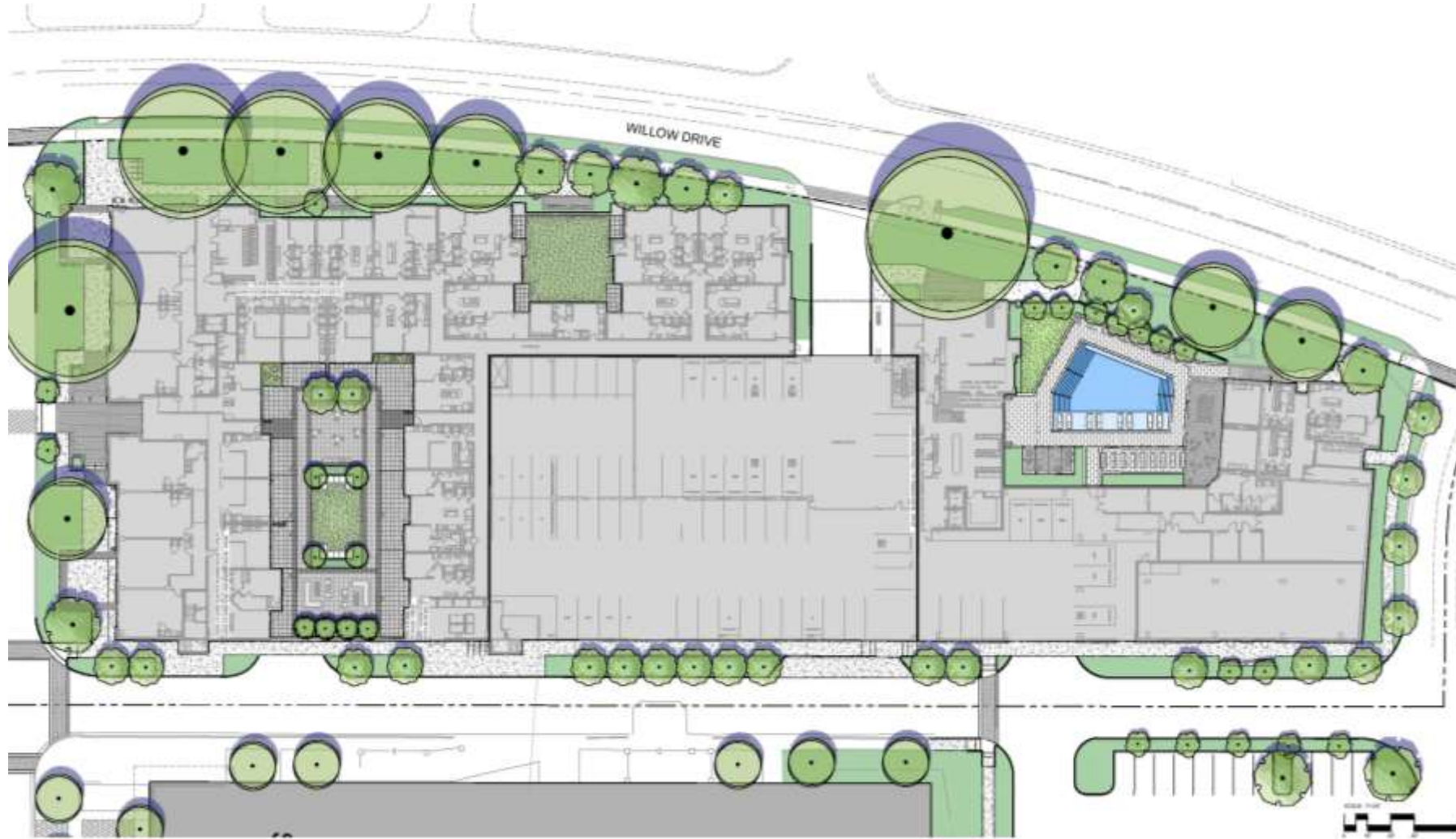
900 WILLOW – MULTIFAMILY RENDERING

900 Willow Apartments

- 253-units
- ~9,500 SF retail
- Anticipated completion Q1 2025



900 WILLOW – SITE PLAN



900 WILLOW – MULTIFAMILY RENDERINGS



University Place

- Auto-dominated site
- Fronts adjacent neighborhoods with surface parking lots
- Limited pedestrian connectivity





Creation of “The Commons”

- Central green space with play and entertainment opportunities
- Decorative lighting for nighttime events
- Flanked with active uses and wide sidewalks
- Angled parking and traffic calming

Investment

- Total investment over \$250.0 million
- ~\$4.5 million of off-site improvements

Features

- Rooftop solar array
- Electrical vehicle charging stations
- Over 140 new trees planted
- Reduction of impervious surface
- Stormwater management



up UNIVERSITY
PLACE

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The Chamber Economic Development Forum

Chapel Hill Project Updates



TRG Company Profile

TRG develops suburban, high-end institutional, garden-style properties as well as high-density urban communities, concentrating on areas of population and business growth. TRG also performs the general contracting for its product and uses “best in class” planning and construction practices, emphasizing high-end finishes, distinctive design elements and a full complement of amenities.

Our team of industry veterans has, in total, well over 50 years of experience. TRG principals have developed or acquired in excess of 20,000 units with a total capitalization of over \$4 billion in multifamily real estate.



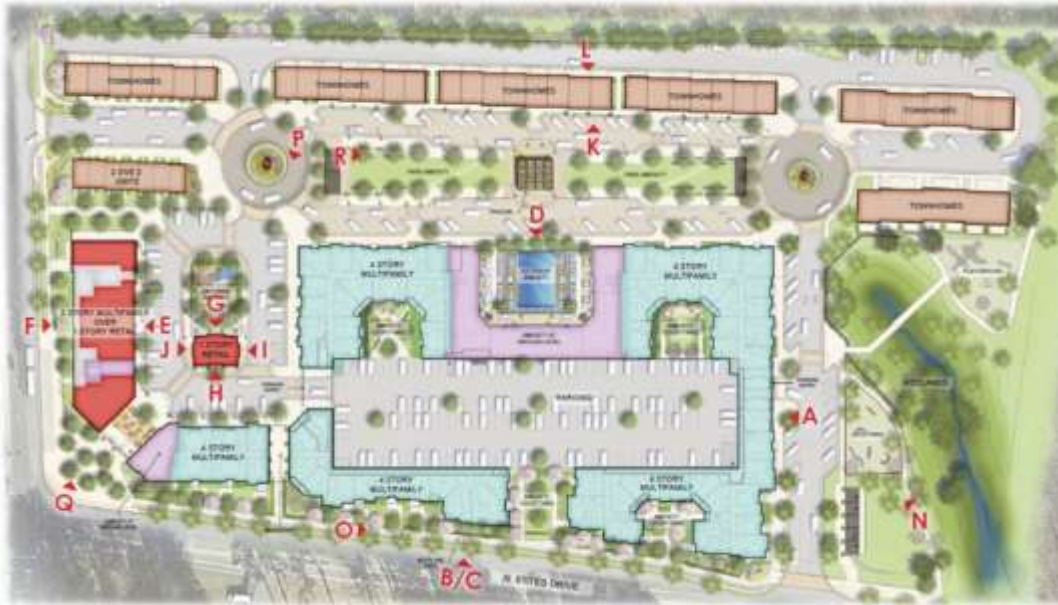
AURA 509 – Durham, NC



AURA at The Realm – Lewisburg, TX



AURA North Miami Beach – Miami Beach, FL



Project Overview

- 361 Apartment Units, 58 townhomes
- Includes 29 intermingled, indistinguishable affordable apartment units & 8 affordable townhome units
- 13,500 SF of ground floor retail
- Ample public green space

Current Status

- Earthwork underway
- Utility work in progress
- Estimated first unit turnover: 2025



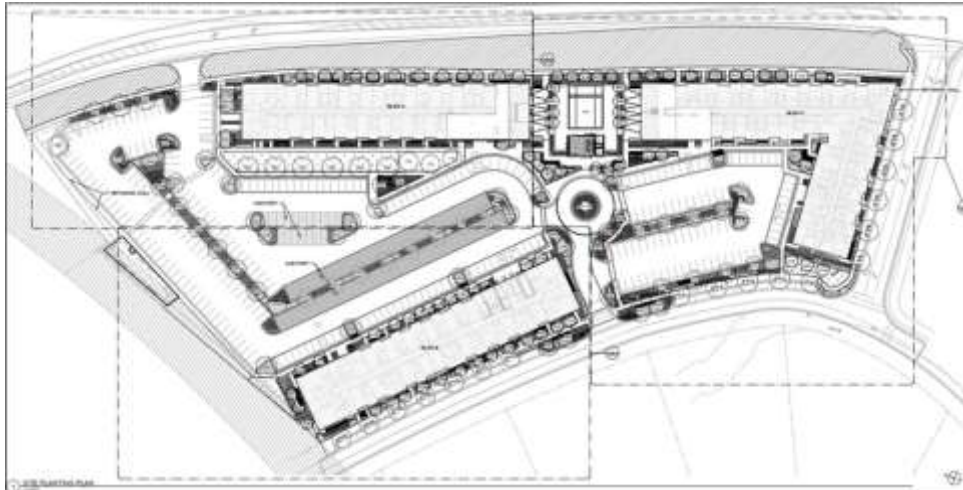


Project Overview

- 250 Apartment Units
- 4-story, conditioned corridors

Current Status

- Wood framing/truss installation
- Stormwater infrastructure
- Estimated first unit turnover: Q1 2024





Project Overview

- 332 Apartment Units
- 31 live-work units
- 6-story “wrap” and podium

Current Status

- Permitting
- Construction start: 2024
- First units turn over: 2026



AURA South Elliott – 200 South Elliott Rd

Project Overview

- 325 Apartment Units Proposed
- 5-story with structured parking
- Concept Plan reviewed by Chapel Hill Town Council in March
- Targeting construction start in 2025



6



Interior Sample: AURA on Lamar – Austin, TX



The Chamber Economic Development Forum

THANK YOU!!



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