



May 17, 2019

Andrew Miracle, Economic Development Officer
Durham County
201 East Main Street, Room 447
Durham, NC 27701

Dear Mr. Miracle,

Enclosed is Downtown Durham, Inc.'s (DDI) formal funding request for the fiscal year beginning July 1, 2019 and ending June 30, 2020. Additionally, information is included to document progress (as of March 31, 2019) on activities and tasks contained in DDI's current contract with the County of Durham. Please note that this information is for the first nine months of the twelve-month contract.

DDI has enjoyed a long and beneficial relationship with Durham County. As the primary entity that promotes and advocates for growth, development, and vibrancy and leads the economic development efforts for Downtown Durham, DDI has been instrumental in many of the development initiatives in Downtown and continues to identify future opportunities for the sustainability of Durham's downtown core. This would not have been possible without the County's unwavering and long-term support.

Since July 1, 2018, the start of the current contract with the County, DDI has accomplished several key tasks. Highlights of our accomplishments for FY19 through March 31, 2019 are below. This information was pulled from our quarterly reports and State of Downtown Durham reports. Please remember, unless otherwise indicated, information below for 2018/19 is for the first three quarters only. Information for the entire fiscal year will not be available until early August 2019.

Growth of private tax base valuation of property in downtown
2017/18 Assessed Value--\$1 billion
2018/19 Assessed Value--\$1.1 billion

Number of employees in downtown
2017/18—18,500+
2018/19—21,000+

Number of residential units (constructed)
2017/18—2500+
2018/19—3500+

Number of residents in downtown
2017/18—5000+
2018/19—7200+

Leasable office space in downtown
2017/18—3.2 million s.f.
2018/19—3.6 million s.f.

Percentage occupancy of office space in downtown

2017/18—94%

2018/19—88% (this decrease in occupancy is due to the completion of Durham.ID and One City Center, introducing 400,000 s.f. of office space to the downtown market in the second quarter of FY19.)

Permit Activity in number of permits and dollars invested (as indicated on permit applications) in downtown

2017/18—89 building permits with a total of \$105 million in public and private investment

2018/19—40 building permits with a total of \$103 million in public and private investment

Total Investment (by calendar year, not fiscal year)

2017--\$204 million

2018--\$137 million

Property Sales (commercial and residential)

2017/18— 34 property sales for a total of \$34.2m

2018/19—40 property sales for a total of \$134m (this includes \$46.9 million sale of the office space at One City Center to Armada Hoffler and \$13.5 m sale of property to Lennar for the Durham Gateway project)

Total Retail/Restaurant/Entertainment Establishments

2017/18—169

2018/19—167

Number of clients served by DDI

2017/18—214+

2018/19—120+ (through FY Q3 and the number is lower this year due to the loss of DDI's Policy and Planning Director who left DDI in January 2019. The position remains unfilled as DDI reevaluates staff needs for the future)

Presentations/Speaking Engagements/Tours

2017/18—15 presentations reaching over 300 individuals

2018/19—17 presentations, speaking engagements and tours of downtown and reached over 500 individuals. Spoke at three national conferences to include the International Downtown Economic Development Council Annual Meeting, International Downtown Association (IDA) Annual Conference, and National Placemaking Conference and at a number of regional meetings to include Triangle CREW, Carolina ULI Conference, and IDA College Town Summit

Increase in "followers" of social media

2017/18—42,906 followers

2018/19—46,300 followers

Crime statistics for downtown—largest incidents of crime for both years was larceny (auto and other)

2017/18—360+

2018/19—470+

Key initiatives started by DDI in FY19:

DDI Speaker Series

Initiated and hosted a DDI Speaker Series—an opportunity to bring innovative ideas that catalyze conversation and explore forward-thinking concepts for downtown Durham. On three separate occasions, DDI brought in nationally recognized experts to discuss and offer innovative ideas to address challenges facing downtown Durham. Ian Lockwood, Toole Design, spoke on the Removal of Urban Freeway Movement, Zena Howard, Perkins + Will, spoke on how to remember lost history and restore cultural connections when designing new projects. Karen Parolek, Optics Design, who spoke on how to achieve affordability by design through a variety of housing options and sizes.

Minority Business Participation

Completed the Business Diversity in Downtown Durham and began to identify ways DDI could assist in increasing minority business participation in downtown. DDI's approach includes:

- Using pop-ups as a low-cost way of introducing minority businesses to the marketplace, allowing them to test their concepts and prepare for a brick and mortar space
- Facilitating collaborations between property owners and minority businesses, and helping to craft creative solutions that help those businesses locate or grow downtown
- Supporting cultural initiatives that reinforce diversity to ensure that minority business owners and members of the community see themselves represented and reflected downtown

Over the past year alone we've assisted with four pop-ups for minority businesses, and two of these businesses are moving forward with locating downtown. Initiatives like Public Space Project, and events DDI has supported like the Durham Central Park's Playlist Concert Series, Beats n Bars and the Black Communities: A Conference for Collaboration continue to bring culturally diverse crowds downtown to reinforce that all are welcome here. And in the past year we've facilitated connections that have helped two minority businesses locate downtown or increase existing space to accommodate growth. We measure results not by output, but by outcome, with a goal not just of bringing minority businesses downtown, but of helping to ensure they have the location, financing and relationships that give them the best chance of success.

Retail Initiatives

Began meeting regularly with downtown retailers to work closely with these stakeholders to identify ways to assist them in growing their presence and remaining successful in the downtown market. Initiated a marketing campaign specifically for retail businesses called Shop 2nd Saturday to encourage folks to visit downtown merchants. Worked with Discover Durham to create a Retail Passport where individuals can get stamps from participating merchants and once the passport is full, return it to Discover Durham for a special gift.

Based on our proven success and engagement with Downtown and its stakeholders, DDI requests \$160,000 from the County of Durham to continue our economic development efforts in downtown. We will continue to:

- Recruit investors, businesses and residents to downtown Durham to increase critical mass of people working, living and visiting downtown,
- Assist with the leasing and/or purchasing of space in downtown by providing information, tours, and available property information to interested clients,
- Speak to community groups and business organizations about downtown revitalization efforts, and
- Attend all relevant city and county meetings and, as required and appropriate, serve on committees and task forces related to the growth and development in downtown.

I look forward to working with you and the County through the budget process as well as into the upcoming year. Please contact me if you have any questions or would like to discuss this request in more detail. I am available to meet and discuss DDI's request as well as its success and accomplishments.

Sincerely,

Nicole J. Thompson
President & CEO
Downtown Durham, Inc.