



Date: May 17, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Kevin Dick, Director - Office of Economic and Workforce Development (OEWD)
Joy Mickle-Walker, Downtown Economic Development Coordinator
OEWD

Subject: FY12 Agreement to Fund Downtown Durham, Inc. for City Economic Development Programs

Executive Summary

This item seeks City Council approval of the 2011-2012 agreement for downtown economic development and marketing services with Downtown Durham, Inc. (DDI) in the amount of \$148,048.00. This is the fifth year that the Office of Economic and Workforce Development has administered this contract.

Recommendation

The administration recommends that Council authorize the City Manager to execute the FY12 funding agreement with Downtown Durham, Inc. to operate economic development programs for the City in an amount not to exceed \$148,048.00.

Background

Office of Economic and Workforce Development's recommended FY12 budget includes \$148,048.00 for DDI's contract.

Issues/Analysis

DDI has continued to be a high-performing organization. To date, for example, DDI has overseen and managed several projects and initiatives that helped secure the following outcomes:

- 52 new businesses
- 14,000 employees
- 500 businesses
- 1,550 residents living in downtown
- 86 building permits issued,
- 58 clients served
- More than 700 marketing events.

Thus far in FY 11, DDI has been instrumental in administering several successful efforts including a successful sign grant program, a new kiosk program in downtown, and an improved solid waste collection system in order to develop a more efficient and effective long range plan for solid waste collection in downtown.

Also for FY11, DDI staff has worked in tandem with OEWD staff to plan and implement downtown economic development and marketing strategies. One of these strategies is to improve the walkability and aesthetic appearance of Downtown, while promoting downtown businesses in a way that will create more foot traffic throughout downtown. Both activities have been based upon recommendations from the City Center Market Retail Analysis performed for downtown Durham by the Rockville, MD based firm - Retail Compass. The performance of the analysis was jointly administered by OEWD and DDI and directly resulted in the administration of a successful signage grant program as well as the design and promotion of economic development grant programs geared toward decreasing vacancies throughout downtown and revitalizing under-utilized spaces ideal for retail, restaurant and professional services uses. DDI has also provided input and assistance to OEWD for the planning of a lighting project geared toward improving walkability along Corcoran Street between the American Tobacco district and the City Center. The project is planned for implementation in FY 12. Another significant effort related to downtown revitalization was the research, public input process and subsequent recommendation by both DDI and staff for the creation of a Business Improvement District (BID) in downtown. The recommendation was approved by City Council for implementation in FY 2012.

The City and DDI have agreed on goals for Fiscal Year 2012 which are contained in Attachment 2 to the contract.

Alternatives

Council may choose to not fund the contract, or to fund the contract at a reduced amount. If DDI is not funded or not fully funded, economic and marketing services for downtown could not be delivered at the level that they have been provided in the past.

Financial Impact

Funding for this item has been built into the Office of Economic and Workforce Development's budget. \$148,048.00 would come from OEWD's general fund appropriation (if the general fund appropriation is approved by City Council).

SDBE Summary

An SDBE Summary is inapplicable because no project-specific goals have been set and no SDBE's are involved in this item

Attachments

- Contract for Economic Development Services within the Downtown Durham District between the City of Durham and Downtown Durham, Inc.
- Attachment 1 – Scope of Services

- Attachment 2 – Downtown Durham, Inc. Quarterly Deliverables Report Form FY 2008
- Attachment 3 – City Share of Downtown Durham, Inc. Expenses
- Attachment 4 – Insurance Requirements