



Date: May 18, 2015

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director - Office of Economic and Workforce Development
Subject: FY2016 Agreement to Fund Economic Development Programs and Services Operated by Downtown Durham, Inc. Using City of Durham Funds

Executive Summary

This item seeks City Council approval of the FY 2015-2016 agreement for downtown economic development and marketing services with Downtown Durham, Inc. (DDI) in an amount not to exceed \$160,048.00. This is the ninth 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 FY2016 funding agreement with Downtown Durham, Inc. to operate economic development programs and services for the City in an amount not to exceed \$160,048.00.

Background

Office of Economic and Workforce Development's recommended FY2016 budget includes an amount not to exceed \$160,048.00 for DDI's contract.

Issues and Analysis

DDI has proven to be a high-performing organization and a positive force to the growth of Downtown Durham. To date, for example, DDI has overseen and managed several projects and initiatives that helped secure the following outcomes:

- 50 new businesses locating in downtown (30 new retail businesses)
- 125 building permits issued for downtown construction
- Over 200 clients served
- 3 million square feet of office space at 92% occupancy
- Coordinated a street musicians program at multiple locations throughout downtown in conjunction with the monthly Third Friday event.
- Social media followers (Twitter and Facebook) exceed 17,000

For FY2016, the DDI staff has collaborated with the OEWD staff to plan downtown economic development programs, special events and marketing strategies. The City and DDI have agreed on goals for Fiscal Year 2016 which are contained in Attachment 2 to the contract. In response to concerns raised by several councilmembers concerning specific quantifiable

goals relating to the June 4, 2015 Work Session Agenda Item 38, Attachment 1 and 2 have been revised to reflect better defined metrics for DDI's FY2016 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. Funding is provided through Downtown Revitalization in the proposed FY2015-16 annual budget.

SDBE Summary

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

Attachments

- FY 2016 Contract to Fund Economic Development Programs and Services Operated by Downtown Durham, Inc. using City of Durham Funds, containing 7 pages.
- Attachment 1 (revised) – Scope of Services for FY2016, containing 2 pages.
- Attachment 2 (revised) – Downtown Durham, Inc. Quarterly Deliverables Report FY 2016, containing 1 page.
- Attachment 3 – Insurance Requirements, containing 2 pages.