



# ISSUES AND OPPORTUNITIES: ECONOMIC SUSTAINABILITY

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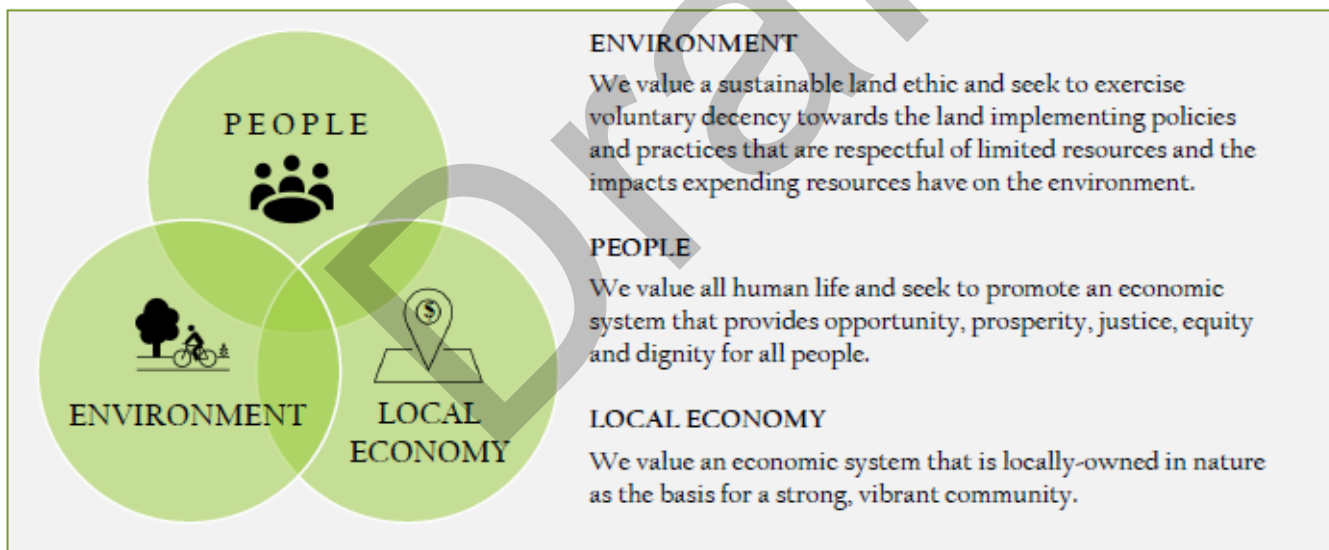
## 1. INTRODUCTION

This section presents an overview about the issues and opportunities facing Carrboro's economic sustainability goals. The section identifies data trends (race & ethnicity, jobs, educational attainment, housing affordability, unemployment, retail gap analysis) key issues and opportunities, and summary of goals/strategies from the Town's Economic Sustainability Plan.

Carrboro residents and Town officials and staff are invested in long-term equitable and inclusive growth that protects environmental resources and reduces climate change. In 2017, Carrboro's Economic Sustainability Commission developed a plan listing guiding principles and action items to meet the objectives set forth by the community. Carrboro prioritizes three values: environment, people, and local economy. The Town Council, staff and commissions use the plan to assess commercial growth, development, and redevelopment, ensuring projects are consistent with Carrboro's sustainability goals and the triple bottom-line sustainability principles.

As stated in the Town of Carrboro Economic Sustainability Plan adopted in 2017, Carrboro values the principle of sustainability:

"We value an equitable, fair, just, resilient, self-reliant, and sustainable local economic system. The value of sustainability affects how we plan for people, environment, and a local economy."



The Town is conscience of the value of both the built and natural environment and is committed to promoting equitable growth in a manner consistent with its values. Carrboro aims to achieve its economic sustainability goals by promoting economic growth that also encourages energy efficient practices, grows the green economy, and ensures an inclusive development pattern.

A strong local economy is a cornerstone of Carrboro. The Town prioritizes supporting local, independent businesses and exploring both inventive and conventional methods for them to remain successful. As the comprehensive plan develops, focus will be given to strategies that

demonstrate practices that advance all three values that promote the environment, people and local economy.

This section focuses on the connection between economic trends to achieving environmental and equitable principles. While this chapter presents data on equitable economic growth – workforce, jobs, industry, and education attainment – it will be in the context of deeper discussion of environmental goals described in the environmental systems, affordable housing, transportation and public services. As the goals of Carrboro's Economic Sustainability Plan demonstrate, all issues are intertwined and related to each other. Progress in attracting jobs and new development without focusing on environmental performance or equitable outcomes is not sustainable growth. Instead, the lens of this chapter is to highlight the relationship between economic, environmental and equitable growth and development for all of Carrboro's residents with an explicit focus on expanding opportunities for minorities, immigrants, women, LGBTQ, and low- and moderate-income residents.

## 2. OVERVIEW AND TRENDS

Many Carrboro residents describe a “small town feel” in a vibrant regional economy and data regarding where residents work, what types of jobs and industry are present, and the diverse range of stores, restaurants and local economy support these observations.

### A. PEOPLE – EQUITABLE GROWTH

#### 1. HOUSEHOLD INCOME

The Economic Sustainability Plan emphasizes a specific focus on a people-centered approach to “promote an economic system that provides opportunity, prosperity, justice, equity and dignity for all people.”

Typical economic development approaches tend to focus on attracting jobs and industry without a specific focus on equitable development. This can lead to displacement of long-time residents, small businesses, and a reduction in diversity of the population. In Carrboro, there is a strong desire to take a different approach to economic development.

Understanding the range of household income levels is important as a basis for equitable growth. How can the Town's approach to economic development expand opportunities to households earning less income? How can the community be more affordable in terms of housing and transportation for low-, moderate- and middle-income families? As can be seen in Table 1, while the median income for Carrboro is \$59,202, there is a very wide range of incomes in Town, from under \$15,000 to well over \$200,000. Thus, an economic development strategy that focuses on lifting up opportunities for those with lower incomes should be a focus of the efforts. With added income headway is made on other pressing issues such as the affordability of housing.

**Table 1: Household Income**

2018 HH Income Range	Carrboro	# of Households	Orange County	# of Households
<\$15k	13%	1,169	10%	5,148
\$15,000 - \$24,999	9%	865	8%	4,255
\$25,000 - \$34,999	8%	764	8%	4,150
\$35,000 - \$49,999	11%	966	13%	6,619
\$50,000 - \$74,999	18%	1,638	15%	8,089
\$75,000 - \$99,999	14%	1,297	12%	6,198
\$100,000 - \$149,999	9%	847	13%	6,934
\$150,000 - \$199,999	6%	589	8%	3,992
\$200,000+	12%	1,058	14%	7,249
Median Income		\$59,202		\$68,211

Source: American Community Survey 2018 Five-Year Estimates

## 2. RACE, ETHNICITY

In developing new strategies and projects, the Town of Carrboro should be cognizant of, and aim to expand opportunities to, all Carrboro's residents, including minority and immigrant populations and overcome systemic barriers in the economic system. As shown in Tables 2 and 3, there is a wide diversity of racial composition in Carrboro, although there is concern that the diversity has decreased over time. Note that based on the methodology the U.S. Census uses, Hispanic or Latino may be of any race.

**Table 2: Racial Composition**

Race & Ethnicity	Carrboro		Orange County	
	Number	Percent	Number	Percent
White Alone	14,831	70%	106,535	75%
Black Alone	2,501	12%	16,557	12%
American Indian & Alaska Native Alone	199	1%	784	1%
Asian Alone	2,254	11%	11,106	8%
Some Other Race Alone	521	2%	3,707	3%
Two or More Races	910	4%	4,241	3%
Total	21,216	100%	142,938	100%

**Table 3: Hispanic or Latino of Any Race**

Ethnicity	Carrboro		Orange County	
	Number	Percent	Number	Percent
Hispanic or Latino	1,708	8%	12,014	8%

Source: Esri 2020, ACS 2018 5 Year Estimates

### 3. JOBS

Educational services, healthcare, and social assistance represents the highest employers in Carrboro representing 42%. Examples of this employment would include UNC-Chapel Hill, Chapel Hill – Carrboro City Schools and many not-for-profit organizations. Several of these fields are being heavily impacted by COVID-19, both in demands for pressing needs as well as reduced revenue, especially in education. While it is too early to determine long-term impacts, these issues will need to be closely monitored as they perform a large base of Carrboro’s employment and well-being.

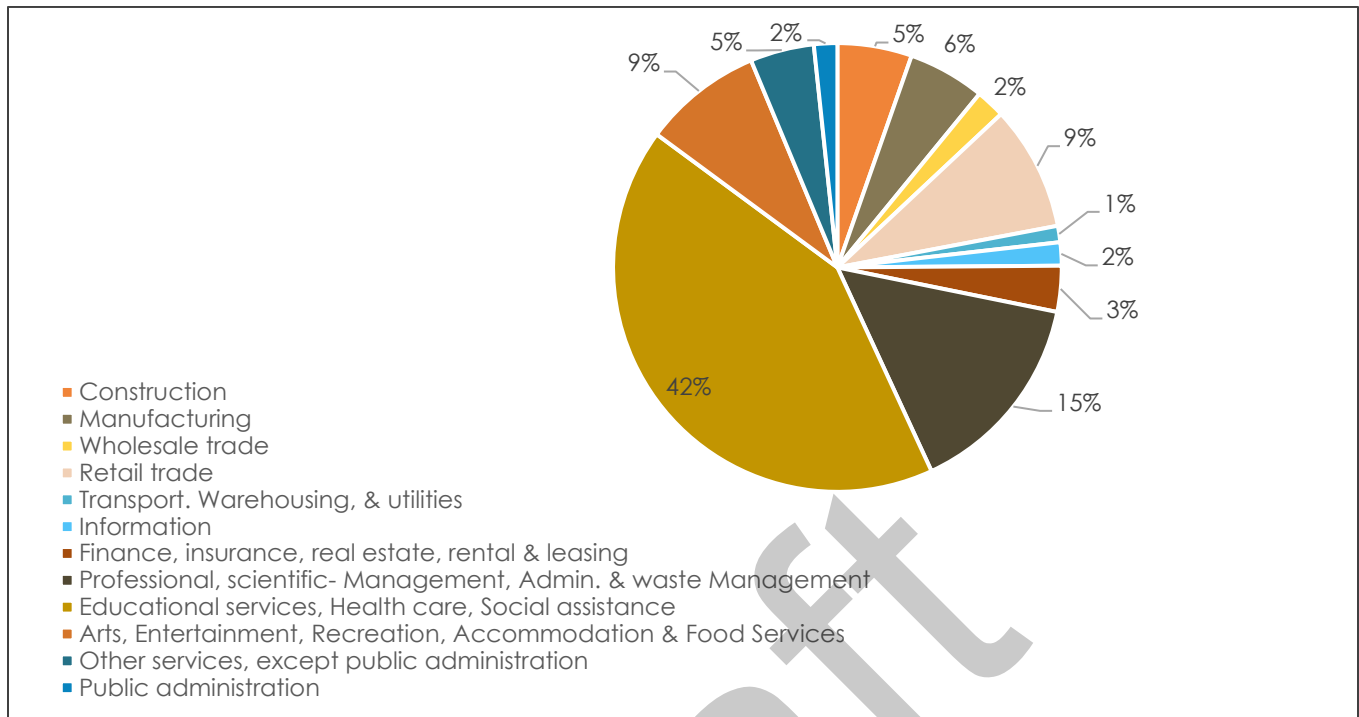
Professional, scientific, management, and administrative follows with 15%. Arts, entertainment, recreation and food services and retail are each at 9% of all jobs that reflects the downtown and other business districts in Carrboro.

**Table 4: Employment of Carrboro and Orange County Residents by Industry**

Industry	Carrboro		Orange County	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing & hunting, mining	0	0%	535	1%
Construction	670	5%	3,679	5%
Manufacturing	693	6%	4,409	6%
Wholesale trade	262	2%	1,097	1%
Retail trade	1,124	9%	6,387	9%
Transportation, warehousing, & utilities	147	1%	1,494	2%
Information	209	2%	1,136	2%
Finance, insurance, real estate, rental & leasing	413	3%	3,950	5%
Professional, scientific, & management, administrative & waste management	1,863	15%	9,434	13%
Educational services, health care, & social assistance	5,242	42%	28,581	39%
Arts, entertainment, recreation, accommodation & food services	1,074	9%	7,034	10%
Other services, except public administration	575	5%	2,996	4%
Public administration	210	2%	2,440	3%

Source: Esri 2020, ACS 2018 5 Year Estimates

**Figure 1: Employment by Industry**



Source: Esri 2020, ACS 2018 5 Year Estimates

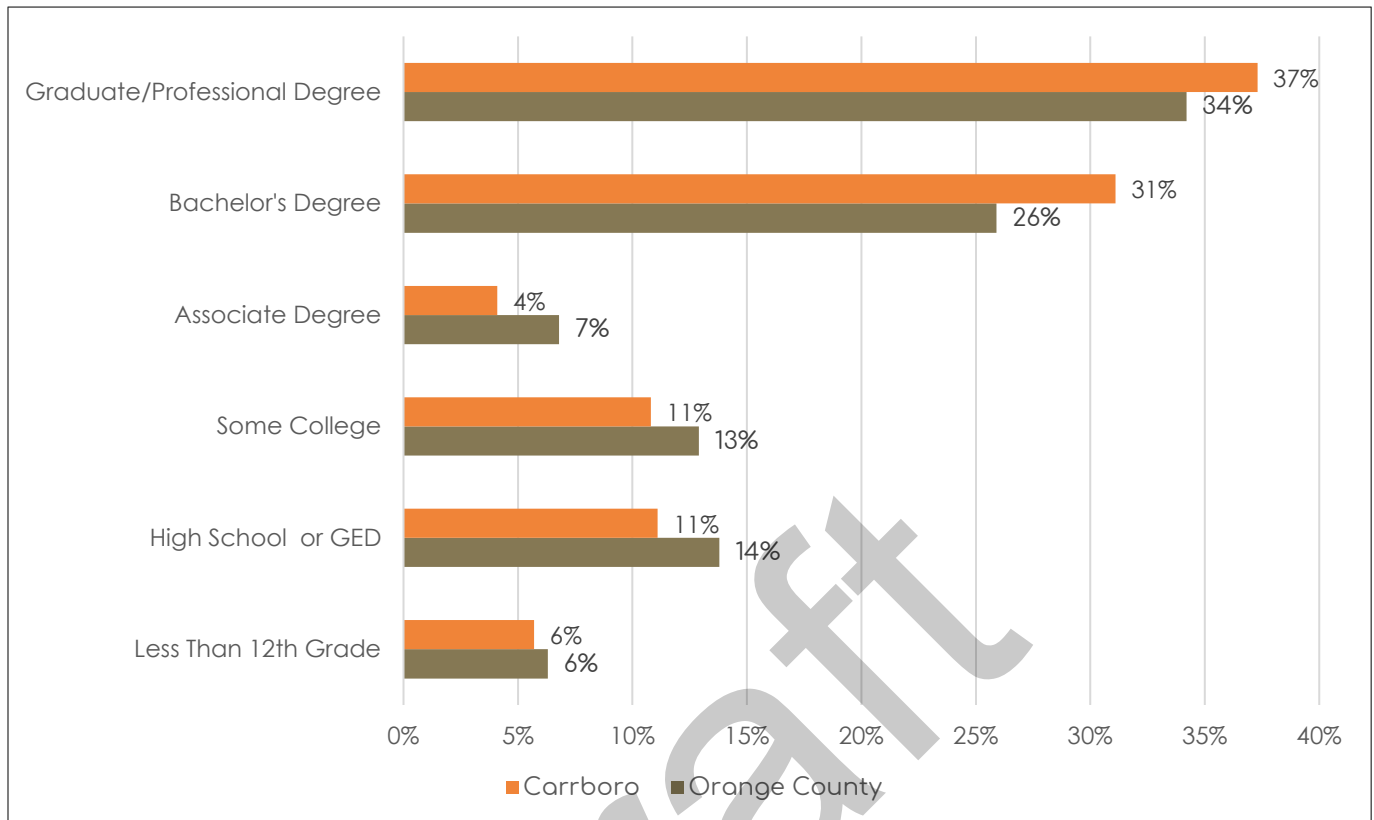
#### 4. EDUCATION ATTAINMENT

While Carrboro is a very educated community and is closely tied to UNC-Chapel Hill, Duke University, Research Triangle Park and other high tech, advanced research businesses and organizations, disparities in levels of education do exist. Developing economic development strategies, as laid out in the Economic Sustainability Plan, needs to consider all households and how to grow household income for those who may have less education as well.

**Table 5: Education Attainment (25+)**

EDUCATION ATTAINMENT	CARRBORO		ORANGE COUNTY	
	Number	Percent	Number	Percent
Less than 9th Grade	494	4%	2,941	3%
9th - 12th Grade, No Diploma	310	2%	3,036	3%
High School Graduate	1,368	10%	10,814	11%
GED/Alternative Credential	197	1%	2,277	2%
Some College, No Degree	1,523	11%	12,237	13%
Associate Degree	578	4%	6,451	7%
Bachelor's Degree	4,385	31%	24,570	26%
Graduate/Professional Degree	5,259	37%	32,443	34%
<b>TOTAL</b>	<b>14,100</b>	<b>100%</b>	<b>94,864</b>	<b>100%</b>

**Figure 2: Education Attainment (Age 25+)**



Source: ACS 2018 5 Year Estimates

## 5. HOUSING AFFORDABILITY

Key issues and opportunities identified in the Housing section include:

- Creation of affordable housing to fill the housing gap both for homeowners and renters;
- Maintaining existing affordable housing, through strategies such as weatherization, home repairs and assistance to homeowners and renters;
- Addressing the high cost burden for owners and renters for low, moderate and middle-income households;
- Promoting sustainable and energy-efficient housing through site design, planning, and density of housing; and
- Serving senior and special needs housing.

Several interviewees pointed to the importance of having housing that local workers can afford. Whether it is a Town staff person, a school teacher, or a worker in a restaurant, the Town should be affordable to both support these individuals, reduce long commutes, and be a welcoming community for everyone who works and would like to live in Carrboro.

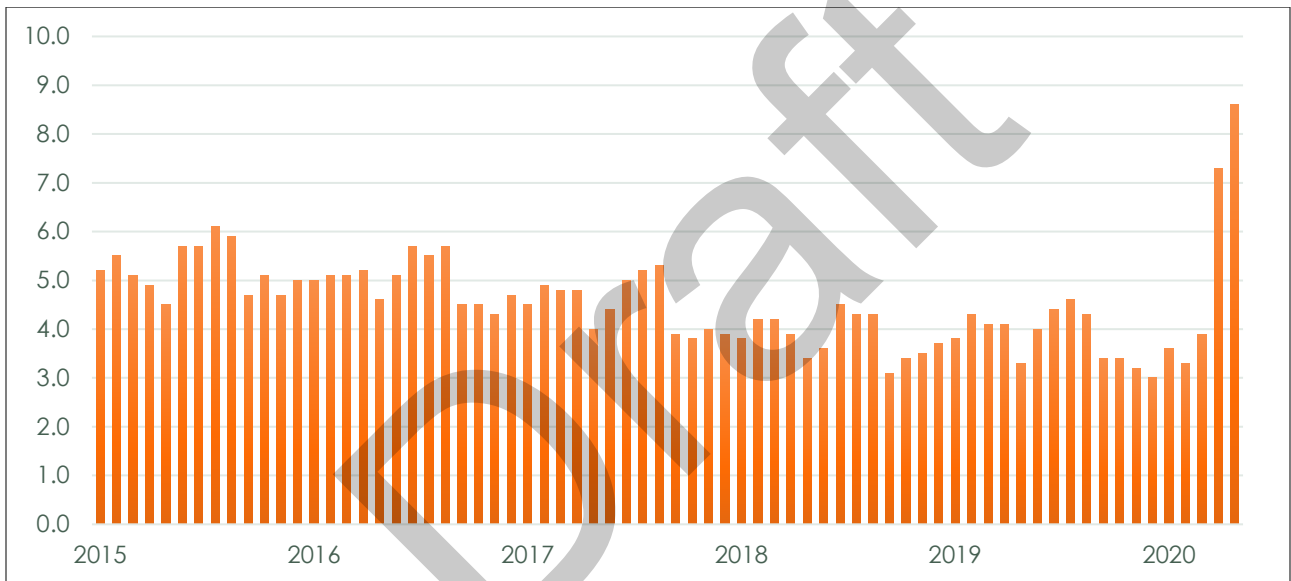
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## 6. UNEMPLOYMENT

Unemployment was trending downward in Orange County, from approximately 5% in 2015 to 3% in early 2020. That changed markedly with the onset of Coronavirus, which was captured in a large increase in the unemployment rate in April 2020 to 7.3% and to 8.6% in May 2020. While data is not available for Carrboro, national sectors that were hit the hardest have been retail and hospitality. There is concern, as noted above, that education and public services may be hit in next phases, particularly universities that are dependent on tuition and housing expenses. A report prepared by UNC in August 2020 provided scenarios of revenue losses between 2.9% and 14.9% for between a loss of \$100 million and \$521 million.<sup>1</sup>

Carrboro's unemployment rate compares with a statewide unemployment rate that was 4.3% in March 2020 rising to 12.8% in May 2020.

**Figure 3: Carrboro Unemployment by Month 2015-2020**



Source: Local Area Unemployment Statistics (LAUS), North Carolina Department of Commerce, Labor & Economic Analysis Division in collaboration with the U.S. Bureau of Labor Statistics

The low unemployment rate masks low, entry level wages. The State of North Carolina matches the federal minimum wage at \$7.25 per hour but does not allow municipalities to create a higher standard compared with cities like Washington D.C. that set minimum wage at \$15 per hour as of July 2020.



## B. ENVIRONMENT

As detailed in the Economic Sustainability Plan and Climate Action Plan, there are a number of interconnections between the environment, economy and equity. These include but are not limited to:

- Energy Policies that can promote renewable energy and energy efficiency.
- Green Economy that encourages growth in green businesses, promotes conservation and eco-tourism.
- Community Development policies that reduce utility costs, encourage bike-friendly businesses, prioritize integration of natural assets, greenways and open space with development practices.
- Enact best practices and green infrastructure to reduce stormwater runoff
- Preserve natural areas and promote watershed management and restoration.
- Promote planning and development that promotes efficient use of land while preserving natural areas.

## C. ECONOMY

### 1. BUSINESS MIX

The Town has a wide range of businesses. The largest share of both businesses and employees is in the service industries (38% of businesses and 42% of employees). The second largest concentration is retail trade at 22% of businesses and 27% of employees. This is followed by finance, insurance and real estate (FIRE) at 10% of businesses and 5% of employees and government which is 3% of businesses and 14% of jobs.

An effective strategy at building more jobs will leverage current concentrations in services and retail, while focusing on growing fields in health care, technology and research that are strengths in the regional economy.

**Table 6: Carrboro Businesses and Employees by Industry**

	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	10	1.5%	83	1.5%
Construction	32	4.7%	135	2.4%
Manufacturing	16	2.3%	109	1.9%
Transportation	7	1.0%	131	2.3%
Communication	4	0.6%	7	0.1%
Utility	0	0.0%	0	0.0%
Wholesale Trade	12	1.8%	87	1.5%
Retail Trade Summary	150	21.9%	1543	27.4%
Home Improvement	9	1.3%	104	1.8%
General Merchandise Stores	3	0.4%	18	0.3%
Food Stores	24	3.5%	363	6.5%
Auto Dealers, Gas Stations, Auto Aftermarket	7	1.0%	28	0.5%
Apparel & Accessory Stores	10	1.5%	46	0.8%
Furniture & Home Furnishings	11	1.6%	56	1.0%
Eating & Drinking Places	45	6.6%	667	11.9%
Miscellaneous Retail	41	6.0%	261	4.6%
Finance, Insurance, Real Estate Summary	68	9.9%	268	4.8%
Banks, Savings & Lending Institutions	7	1.0%	85	1.5%
Securities Brokers	2	0.3%	4	0.1%
Insurance Carriers & Agents	6	0.9%	17	0.3%
Real Estate, Holding, Other Investment Offices	53	7.7%	162	2.9%
Services Summary	260	38.0%	2376	42.2%
Hotels & Lodging	3	0.4%	35	0.6%
Automotive Services	11	1.6%	58	1.0%
Motion Pictures & Amusements	15	2.2%	166	3.0%
Health Services	42	6.1%	555	9.9%
Legal Services	7	1.0%	24	0.4%
Education Institutions & Libraries	22	3.2%	660	11.7%
Other Services	160	23.4%	878	15.6%
Government	20	2.9%	811	14.4%
Unclassified Establishments	105	15.4%	76	1.4%
<b>Totals</b>	<b>684</b>	<b>100.0%</b>	<b>5626</b>	<b>100.0%</b>

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## 2. RETAIL OPPORTUNITY GAPS

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### A) TOWN OF CARRBORO

The Town of Carrboro has a number of business districts and shopping centers, but is best recognized for its downtown with well-known unique, local stores and restaurants including Weaver St. Market, Spotted Dog, Wax Poetic, Armadillo Grill, 2<sup>nd</sup> Wind, Acme Food & Beverage, Napoli Pizzeria and many others.

There is a large “retail opportunity gap” – meaning that there is far more demand than supply. In fact, there is a demand of \$344 million in spending versus a supply of \$182 million in retail goods, food and beverage. That means that \$162 million of spending by Carrboro leaves the town to shop or eat elsewhere – whether that is Chapel Hill, Durham or elsewhere. Esri and other similar data providers estimate retail gaps by calculating the expected demand of local households compared to the supply of a given retail good in the community. The difference between demand and supply is expressed as a retail gap – meaning there is “leakage” of local spending to surrounding areas. A retail surplus occurs when there is greater supply than local demand would indicate, meaning that those retailers are attracting more shoppers from surrounding areas that exceeds local demand. Retail attraction strategies typically focus on filling local retail gaps while leveraging strengths of retail surpluses.

While there has been a long-standing goal of supporting local businesses, part of the challenge for Carrboro is to develop strategies to grow local opportunities while serving the needs of the community. The tables below describe the retail gaps and surpluses that estimate how much additional retail could potentially be supported in Carrboro, although there are many factors that consumers use to determine where they shop including location, transportation, clusters of similar goods and services to expand choices, prices and quality. The capture rate in the tables represent the percentage of demand that is met through current supply.

#### A note on Covid-19 Impact

It is too early to project what the short- and long-term impacts will be of the Covid-19 pandemic. Nationally, the e-commerce sales as a percent of total quarterly retail sales increased from 11.5% in 1st Quarter 2020 to 15.5% in 2nd Quarter, but then went back down to 14.3% in the 3rd Quarter.<sup>1</sup> Some retail experts point to trends including more use of curbside delivery will stay, and that shoppers going to visit stores and restaurants will be looking for convenience and variety, reinforcing trends that were already taking place pre-Covid-19. According to ULI's Emerging Trends in Real Estate 2021, COVID-19 accelerated “structural drivers” including e-commerce, speed-to-consumer supply chain strategies, and logistics users' adoption of high-throughput modern logistics facilities. Those retail stores that have invested in this infrastructure are proving to be more resilient. The implication for Carrboro retailers and restaurants is to take advantage of location and invest in the types of supply chain management and technology to be able to compete with e-commerce in an effective and efficient manner. The Town may look into ways to

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<sup>1</sup> U.S. Census Bureau News: Quarterly Retail E-Commerce Sales, 3<sup>rd</sup> Quarter 2020

further assist the small businesses in this area on specific skills from marketing to e-commerce platforms to supply-chain management. These challenges may particularly face small BIPOC businesses that may not have access or scale to meet these infrastructure and marketing needs.

The following tables outline the current retail gaps – demonstrating that a large share of purchasing power leaves Carrboro to shop or eat in other communities.

**Table 7: Retail Gap Analysis Summary**

Town of Carrboro		
Category	Retail Gap (Surplus)	Capture Rate
<b>Total</b>	\$161,325,457	53%

Source: Esri Business Analyst, 2020, Infogroup

**Table 8: Largest Retail Gaps in Town of Carrboro**

Town of Carrboro		
Category	Retail Gap (Surplus)	Capture Rate
<b>General Merchandise</b>	\$50 million	5%
<b>Motor Vehicles and Parts</b>	\$64 million	2%
<b>Gasoline Stations</b>	\$17 million	47%
<b>Furniture</b>	\$11 million	12%
<b>Electronic &amp; appliance</b>	\$5 million	45%
<b>Food services &amp; drinking places</b>	\$4 million	86%

Source: Esri Business Analyst, 2020, Infogroup

The greatest retail strengths in which supply outstrips demand from Carrboro residents, indicating that these stores are attracting customers from outside Carrboro include:

**Table 9: Largest Retail Strengths (Surplus) in Town of Carrboro**

Town of Carrboro		
Category	Retail Gap (Surplus)	Capture Rate
Food & Beverage Stores	(\$6 million)	113%
Used Merchandise	(\$2 million)	200%

Source: Esri Business Analyst, 2020, Infogroup

What does this mean for the comprehensive plan and economic development strategies? There is demand for more retail stores generated by local and regional demand and with more supply of retail the Town can capture more sales to both expand local employment and increase tax collection to support local services that is currently going to other communities. During an age of a global pandemic, this sector has been hit particularly hard. In planning for the future, critical thinking is required to determine how existing businesses can be supported and identify key elements needed for them to thrive. Another significant note is establishing how new businesses can be attracted to the town that provides additional tax base to support local services, jobs for residents and keeping revenue earned in the community to stay in the community.

In particular, the Town may look at economic development strategies that can expand opportunities for minority owned businesses and employers as well as providing a ladder of employment for lower-wage workers to move on a path of higher wages and economic opportunities. For example, a local mechanic might expand there business by adding a retail component that meets the demand for motor vehicle parts. If the business is marketed correctly and has loyal customers, it could potentially reach a larger market and even expand to multiple locations.

**Table 10: Retail Gap Analysis: Town of Carrboro**

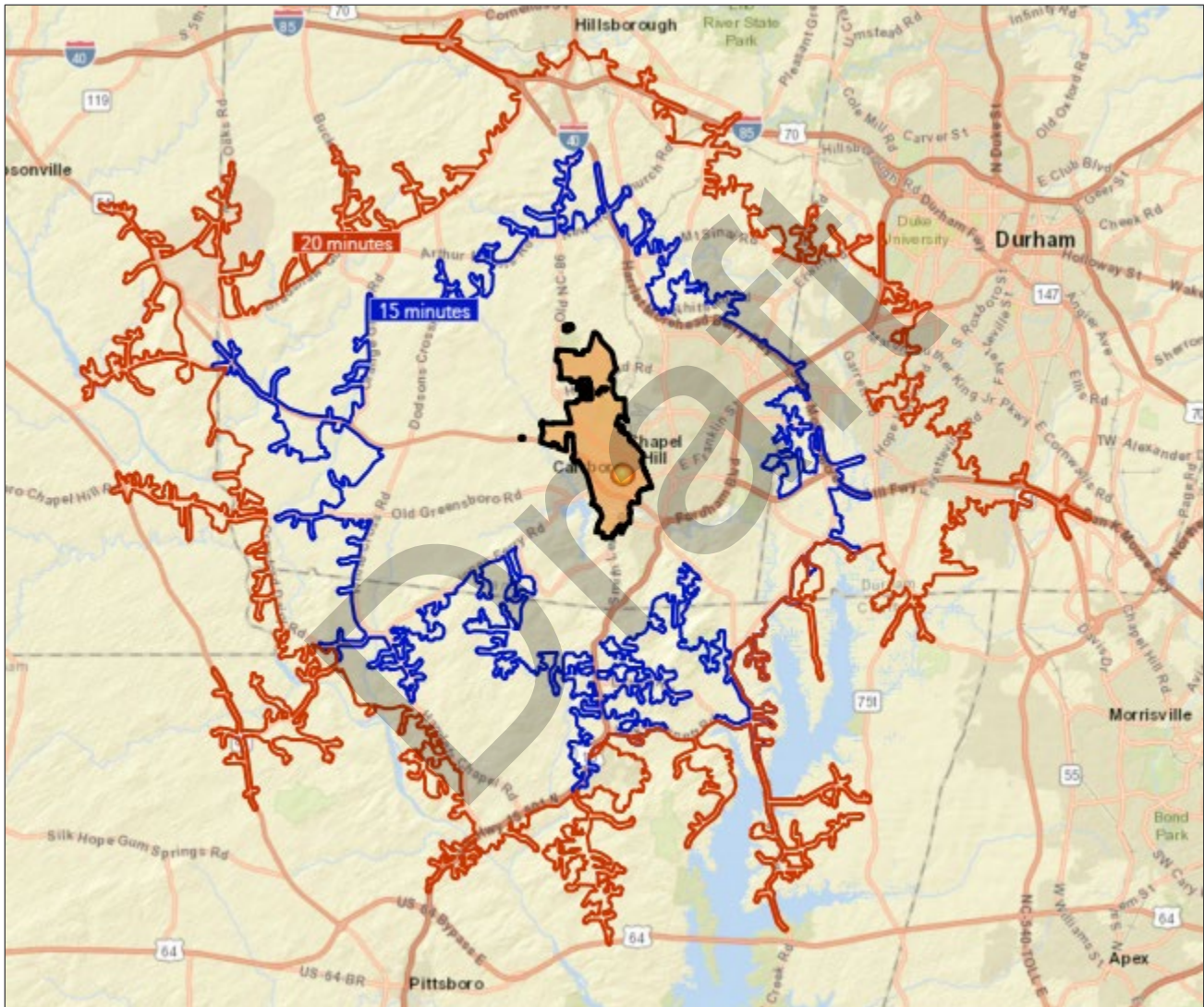
	Demand	Supply	Gap (Surplus)
Motor Vehicle & Parts Dealers	\$65,588,157	\$1,430,248	\$64,157,909
Furniture & Home Furnishings Stores	\$12,451,911	\$1,393,528	\$11,058,383
Electronics & Appliance Stores	\$9,747,248	\$4,428,336	\$5,318,912
Bldg Materials, Garden Equip. & Supply Stores	\$19,809,091	\$21,642,838	-\$1,833,747
Food & Beverage Stores	\$54,474,553	\$60,881,896	-\$6,407,343
Grocery Stores	\$50,430,709	\$58,137,049	-\$7,706,340
Specialty Food Stores	\$1,995,372	\$1,974,015	\$21,357
Beer, Wine & Liquor Stores	\$2,048,472	\$770,832	\$1,277,640
Health & Personal Care Stores	\$18,153,402	\$19,191,554	-\$1,038,152
Gasoline Stations	\$32,541,670	\$15,090,957	\$17,450,713
Clothing & Clothing Accessories Stores	\$15,974,344	\$8,421,414	\$7,552,930
Sporting Goods, Hobby, Book & Music Stores	\$8,576,504	\$4,379,952	\$4,196,552
Sporting Goods/Hobby/Musical Instr Stores	\$7,155,516	\$4,208,440	\$2,947,076
Book, Periodical & Music Stores	\$1,420,988	\$171,512	\$1,249,476
General Merchandise Stores	\$53,041,040	\$2,747,075	\$50,293,965
Department Stores Excluding Leased Depts.	\$38,684,086	\$0	\$38,684,086
Other General Merchandise Stores	\$14,356,954	\$2,747,075	\$11,609,879
Miscellaneous Store Retailers	\$13,054,190	\$11,724,693	\$1,329,497
Florists	\$454,398	\$0	\$454,398
Office Supplies, Stationery & Gift Stores	\$2,914,478	\$3,863,004	-\$948,526
Used Merchandise Stores	\$1,691,568	\$3,567,189	-\$1,875,621
Other Miscellaneous Store Retailers	\$7,993,746	\$4,294,500	\$3,699,246
Nonstore Retailers	\$5,088,960	\$157,815	\$4,931,145
Food Services & Drinking Places	\$35,693,996	\$31,379,303	\$4,314,693
Special Food Services	\$321,408	\$0	\$321,408
Drinking Places - Alcoholic Beverages	\$2,516,274	\$1,574,973	\$941,301
Restaurants/Other Eating Places	\$32,856,314	\$29,804,330	\$3,051,984
<b>TOTAL</b>	<b>\$344,195,066</b>	<b>\$182,869,609</b>	<b>\$161,325,457</b>

Source: Esri Business Analyst, 2020, Infogroup

## B) REGIONAL MARKETPLACE

Carrboro's local businesses compete in a regional economy. In order to understand the competition to existing businesses, as well as attract new businesses, two trade areas were analyzed: a 15 and 20 Minute Drive Time Trade as shown in Figure 4. While there will certainly be some shoppers and diners coming from further way, this trade area represents the area with the greatest potential for both competition and demand to Carrboro local businesses.

**Figure 4: 15 and 20 Minute Drive Time Trade Areas Map**



Source: Esri Business Analyst, 2020

Similar to what was found regarding in-town demand, there is greater demand for retail goods and restaurants than supply, \$2.1 billion of demand compared to \$1.4 billion of supply. That leaves an overall retail opportunity gap of \$720 million. Similar to Carrboro, this means that residents from Carrboro, Chapel Hill and surrounding areas, are travelling more than 15 minutes to do much of their shopping.

Indeed, much of this spending power is captured in the somewhat larger 20 Minute Trade Area in which there is just over \$5 billion in demand for retail goods and almost \$5.2 billion in supply leading to a retail surplus of over \$151 million.

**Table 11: Retail Gap Analysis Town of Carrboro, 15 and 20 Minute Trade Areas**

	Town of Carrboro		15 Minute Trade Area		20 Minute Trade Area	
Category	Retail Gap (Surplus)	Capture Rate	Retail Gap (Surplus)	Capture Rate	Retail Gap (Surplus)	Capture Rate
<b>Total</b>	\$161,325,457	53%	\$720,938,344	66%	(150,913,465)	102%

Source: Esri Business Analyst, 2020, Infogroup

**Table 12: Selected Retail Gaps in the Town of Carrboro, 15 and 20 Minute Trade Areas**

	Town of Carrboro		15 Minute Trade Area		20 Minute Trade Area	
Category	Retail Gap (Surplus)	Capture Rate	Retail Gap (Surplus)	Capture Rate	Retail Gap (Surplus)	Capture Rate
<b>General Merchandise</b>	\$50 million	5%	\$228 million	70%	(\$43,194,389)	108%
<b>Motor Vehicles and Parts</b>	\$64 million	2%	\$214 million	54%	(\$105,870,285)	116%
<b>Gasoline Stations</b>	\$17 million	47%	\$90 million	54%	\$150,682,659	53%
<b>Furniture</b>	\$11 million	12%	\$66 million	13%	\$14,716,540	88%
<b>Electronic &amp; appliance</b>	\$5 million	45%	\$34 million	43%	\$7,045,957	93%
<b>Food services &amp; drinking places</b>	\$4 million	86%	(\$7million)	103%	(65,246,801)	118%

Source: Esri Business Analyst, 2020, Infogroup



What do all of these numbers mean?

1. Half of all of residents' spending is leaving the Town.
2. Much is captured within 15 minutes, but that area also is "leaking" retail spending.
3. A 20-Minute Drive time "captures" this retail spending, indicating that residents are travelling quite some distance to do some of their shopping, leading to greater auto use and loss of tax dollars
4. There are certain categories of goods that show the greatest leakage including:
  - a. General Merchandise
  - b. Motor vehicles and parts
  - c. Gasoline stations
  - d. Furniture
  - e. Electronic and appliance stores
  - f. Food services and drinking places (restaurants)
5. There are other categories, such as food and beverage and used merchandise that show a retail surplus, meaning these categories are attracting more non-Carrboro residents than local demand would otherwise predict.
6. There are opportunities to grow local, women and minority owned businesses by investigating ways to expand the retail base in Town to meet local spending power.

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**Table 13: Retail Gap Analysis - 15 Minute Drive Time Trade Area**

	Demand	Supply	Gap (Surplus)
Motor Vehicle & Parts Dealers	\$395,841,680	\$181,766,977	\$214,074,703
Furniture & Home Furnishings Stores	\$76,790,189	\$10,349,360	\$66,440,829
Electronics & Appliance Stores	\$60,802,072	\$26,193,404	\$34,608,668
Bldg Materials, Garden Equip. & Supply Stores	\$129,362,444	\$67,093,402	\$62,269,042
Food & Beverage Stores	\$332,264,279	\$352,317,370	-\$20,053,091
Grocery Stores	\$307,223,188	\$316,970,747	-\$9,747,559
Specialty Food Stores	\$12,093,568	\$27,282,005	-\$15,188,437
Beer, Wine & Liquor Stores	\$12,947,522	\$8,064,617	\$4,882,905
Health & Personal Care Stores	\$116,012,435	\$104,018,317	\$11,994,118
Gasoline Stations	\$195,962,133	\$105,692,914	\$90,269,219
Clothing & Clothing Accessories Stores	\$98,799,192	\$61,362,624	\$37,436,568
Sporting Goods, Hobby, Book & Music Stores	\$52,958,832	\$79,103,838	-\$26,145,006
Sporting Goods/Hobby/Musical Instr Stores	\$44,359,485	\$48,704,367	-\$4,344,882
Book, Periodical & Music Stores	\$8,599,347	\$30,399,471	-\$21,800,124
General Merchandise Stores	\$324,406,235	\$96,410,973	\$227,995,262
Department Stores Excluding Leased Depts.	\$237,128,531	\$86,504,436	\$150,624,095
Other General Merchandise Stores	\$87,277,704	\$9,906,537	\$77,371,167
Miscellaneous Store Retailers	\$80,296,534	\$49,119,436	\$31,177,098
Florists	\$2,958,143	\$2,863,410	\$94,733
Office Supplies, Stationery & Gift Stores	\$18,023,140	\$11,616,878	\$6,406,262
Used Merchandise Stores	\$10,332,646	\$9,077,191	\$1,255,455
Other Miscellaneous Store Retailers	\$48,982,605	\$25,561,956	\$23,420,649
Nonstore Retailers	\$32,819,026	\$34,612,997	-\$1,793,971
Food Services & Drinking Places	\$217,177,258	\$224,512,355	-\$7,335,097
Special Food Services	\$1,914,870	\$556,264	\$1,358,606
Drinking Places - Alcoholic Beverages	\$16,101,977	\$9,138,876	\$6,963,101
Restaurants/Other Eating Places	\$199,160,411	\$214,817,215	-\$15,656,804
<b>TOTAL</b>	<b>\$2,113,492,309</b>	<b>\$1,392,553,965</b>	<b>\$720,938,344</b>

Source: Esri Business Analyst, 2020, Infogroup

**Table 14: Retail Gap Analysis - 20 Minute Trade Area**

	Demand	Supply	Gap (Surplus)
Motor Vehicle & Parts Dealers	\$642,874,930	\$748,745,215	-\$105,870,285
Furniture & Home Furnishings Stores	\$123,705,665	\$108,989,125	\$14,716,540
Electronics & Appliance Stores	\$97,536,743	\$90,490,786	\$7,045,957
Bldg Materials, Garden Equip. & Supply Stores	\$209,382,738	\$113,955,122	\$95,427,616
Food & Beverage Stores	\$536,255,201	\$488,221,242	\$48,033,959
Grocery Stores	\$496,064,169	\$436,192,681	\$59,871,488
Specialty Food Stores	\$19,533,863	\$32,872,709	-\$13,338,846
Beer, Wine & Liquor Stores	\$20,657,168	\$19,155,851	\$1,501,317
Health & Personal Care Stores	\$187,248,865	\$170,695,201	\$16,553,664
Gasoline Stations	\$318,213,536	\$167,530,877	\$150,682,659
Clothing & Clothing Accessories Stores	\$158,271,613	\$251,281,561	-\$93,009,948
Sporting Goods, Hobby, Book & Music Stores	\$85,160,662	\$174,367,420	-\$89,206,758
Sporting Goods/Hobby/Musical Instr Stores	\$71,382,977	\$139,229,776	-\$67,846,799
Book, Periodical & Music Stores	\$13,777,685	\$35,137,644	-\$21,359,959
General Merchandise Stores	\$522,930,942	\$566,125,331	-\$43,194,389
Department Stores Excluding Leased Depts.	\$381,840,311	\$449,702,579	-\$67,862,268
Other General Merchandise Stores	\$141,090,631	\$116,422,751	\$24,667,880
Miscellaneous Store Retailers	\$129,992,159	\$106,256,987	\$23,735,172
Florists	\$4,734,822	\$3,822,221	\$912,601
Office Supplies, Stationery & Gift Stores	\$29,034,278	\$17,329,529	\$11,704,749
Used Merchandise Stores	\$16,627,995	\$15,795,807	\$832,188
Other Miscellaneous Store Retailers	\$79,595,064	\$69,309,431	\$10,285,633
Nonstore Retailers	\$52,716,323	\$37,418,357	\$15,297,966
Food Services & Drinking Places	\$349,434,416	\$414,681,217	-\$65,246,801
Special Food Services	\$3,095,348	\$2,500,451	\$594,897
Drinking Places - Alcoholic Beverages	\$25,652,653	\$18,249,395	\$7,403,258
Restaurants/Other Eating Places	\$320,686,415	\$393,931,371	-\$73,244,956
<b>TOTAL</b>	<b>\$5,037,497,172</b>	<b>\$5,188,410,637</b>	<b>-\$150,913,465</b>

Source: Esri Business Analyst, 2020, Infogroup

### 3. EMPLOYMENT GENERATORS/OFFICE DEMAND

There are approximately 4,400 jobs within Carrboro. The question is if the Town wants to grow this employment base (and tax base), how should it pursue an agenda for growth and how many jobs could be attracted to the Town?

There are several areas of growth that the Town can pursue to attract more employment to the community. As discussed in the first section of this paper, the largest share of employment for Carrboro residents is education, health care & social assistance at 42%, followed by professional, scientific & management at 15% of jobs. These sectors represent a range of jobs – from schoolteachers to professors to researchers to health care workers. They also represent a range from entry level jobs to very highly skilled jobs that are part of the globally significant research and technology strengths of the Research Triangle.

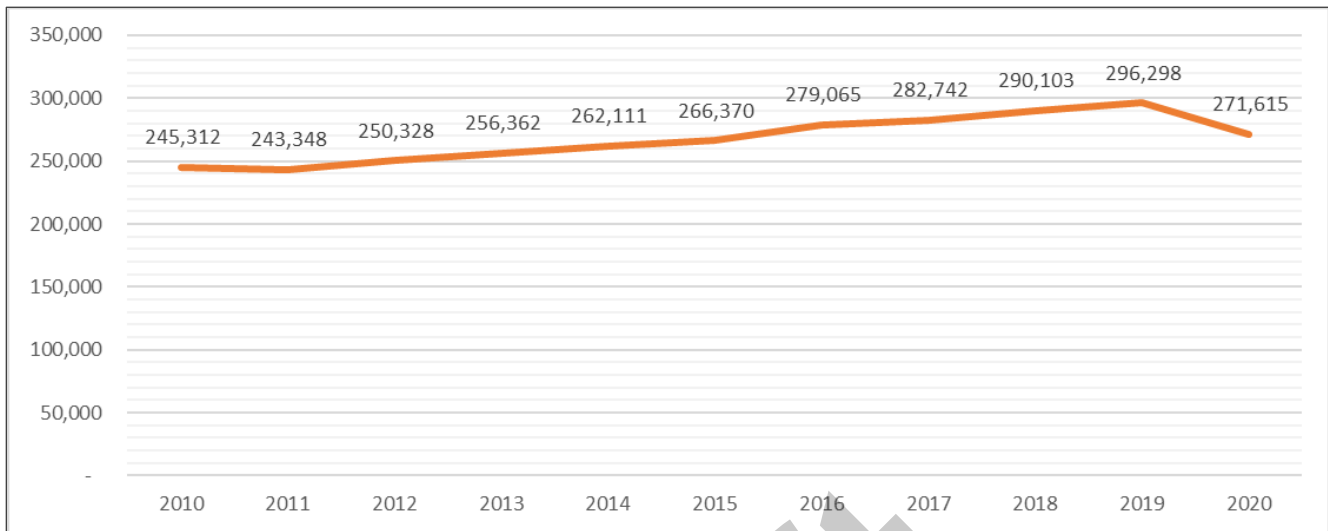
Up until the pandemic began in March 2020, the Durham-Chapel Hill economy was growing rapidly. In fact, between 2010 and 2020, employment increased 24% from 235,211 to 291,390. That equates to an annual growth rate of 2.7% in employment, which is a very fast pace for annual employment growth. As Table 14 shows, even with the recent downturn in employment, there has still been substantial growth over the past ten years.

**Table 15: Durham - Chapel Hill Employment Growth: 2010-2019**

	Durham - Chapel Hill MSA
Employment - January 2010	235,211
Employment - January 2020	296,298
Employment - July 2020	272,615
<b>January 2010 - January 2020</b>	
Total Growth	61,087
Percent Growth	26%
Annual Growth	6,109
Annual Rate	2.6%
<b>January 2010 - July 2020</b>	
Total Growth	37,404
Percent Growth	16%
Annual Growth	3,740
Annual Rate	1.6%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Extracted September 9, 2020

**Figure 5: Durham - Chapel Hill Employment 2010-2020**



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Extracted September 9, 2020

The Town of Carrboro currently has 684 businesses who employ 5,626 employees, or just 2% of jobs in the Durham – Chapel Hill MSA (Infogroup 2020)

Thirty-eight percent of these jobs are in services, but only 3% of the jobs located in Carrboro are in education, a contrast to the characteristics of Carrboro residents who have a much higher level of work in education such as at UNC and other area universities.

In order to capture greater office growth in Carrboro, the Town could position itself to attract a larger share of the MSA's employment base, which is centered in education, technology, research and services. To do this it would need to provide the convenience and amenities that these institutions will be looking for in locating new facilities. Carrboro already has many of these amenities including a walkable downtown, access to restaurants, greenways and parks. Yet, it's transportation infrastructure and lack of an existing cluster of similar jobs may be a challenge for employers.

As the comprehensive plan progresses, issues to be explored will be the feasibility to expand an office sector in the Town, where it should be located, e.g. build up the downtown, create a new jobs / open space business district or expand office jobs as a part of redevelopment of existing suburban commercial areas, can all be considered.

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#### 4. WHERE RESIDENTS WORK AND EMPLOYEES LIVE

Carrboro's economy is deeply tied to the region, especially UNC – Chapel Hill. In fact, one in three employed Carrboro residents work in Chapel Hill, with a large number of residents who also work in Durham, home of Duke University. While some are professors, researchers and staff of these universities, many may also be working in related service industries, private businesses, restaurants or retail that are anchored by these university-driven economies.

Only 652 Carrboro residents work and live in the town, representing 7% of all Carrboro residents who are working.

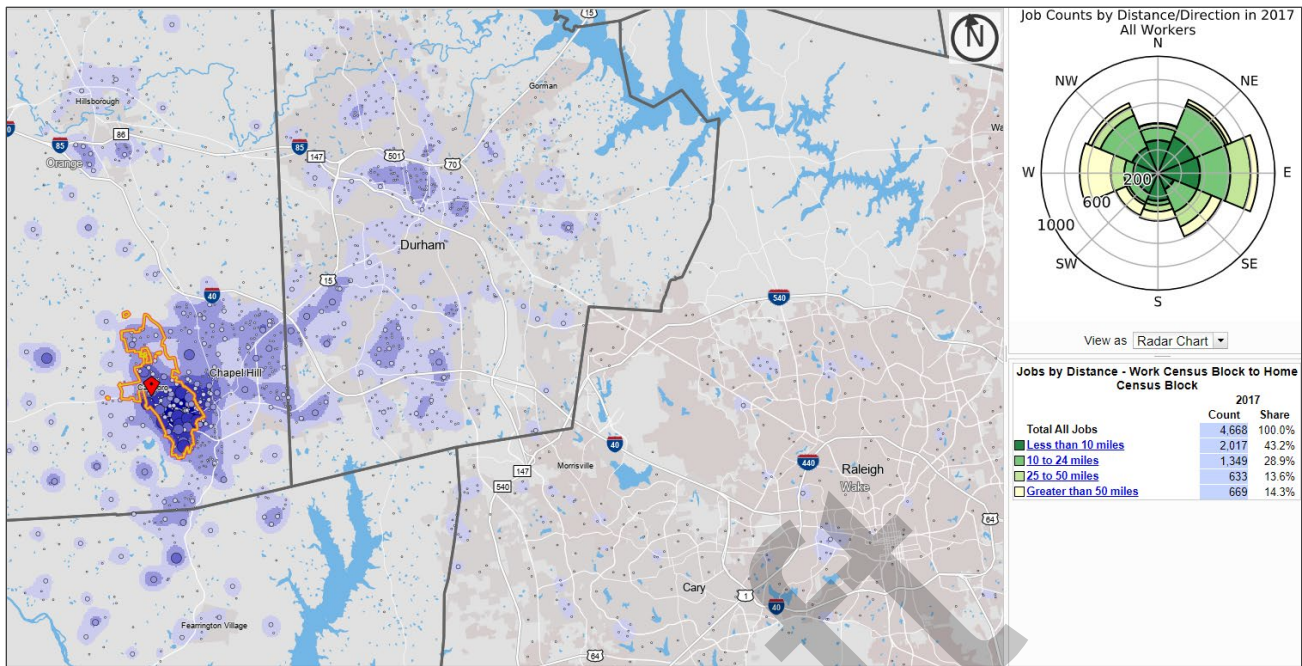
In terms of transportation and commutes, there are also residents who work further afield including Charlotte (235), Greensboro (215) and Burlington (82). Carrboro's location and transportation network allow for commuting to these other areas which take between one and two hours, but also causes dependence on automobiles. In fact, while the average commute time is 24 minutes, 20% of all workers commute 40 minutes or more according to ACS 2014-2018 data.

**Table 16: Work Destination: Where Carrboro Residents Work**

Cities	Job Counts	Share
Chapel Hill	3,268	33%
Durham	1,612	16%
Raleigh	911	9%
Carrboro	652	7%
Cary	281	3%
Charlotte	235	2%
Greensboro	215	2%
Morrisville	126	1%
Hillsborough	110	1%
Burlington	82	1%
All Other Locations	2,350	24%
Total Jobs	9,842	100%

Source: OnTheMap, 2017

**Figure 6: Where Carrboro Residents Work**



Source: OnTheMap, 2017

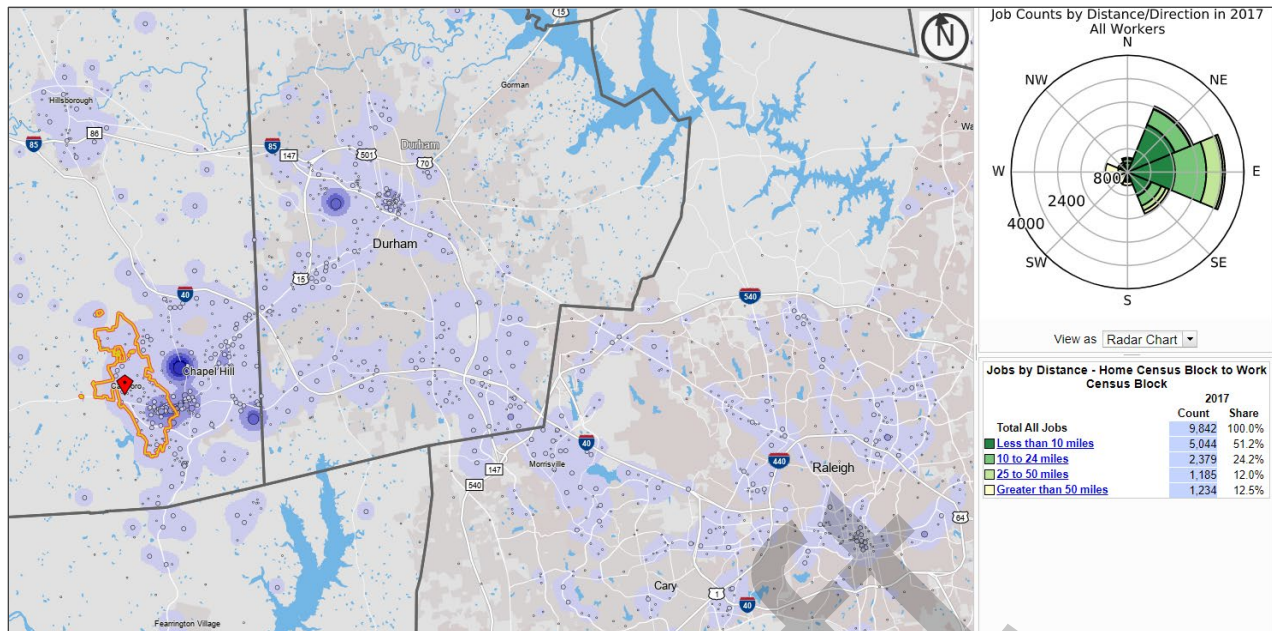
There are approximately 4,668 jobs in Carrboro. Of these jobs, Carrboro residents make up the largest share at 652 or 14%, followed by Durham (647), Chapel Hill (482) and Raleigh (198).

**Table 17: Home Destination: Where Workers Live**

Cities	Job Counts	Share
Carrboro	652	14%
Durham	647	14%
Chapel Hill	482	10%
Raleigh	198	4%
Cary	111	2%
Greensboro	69	2%
Burlington	67	1%
Mebane	61	1%
Charlotte	49	1%
Graham	41	1%
All Other Locations	2,291	49%
Total Jobs	4,668	100%

Source: OnTheMap, 2017

**Figure 7: Where Carrboro Employees Live**



Source: OnTheMap, 2017

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### 3. KEY ISSUES AND OPPORTUNITIES

As Carrboro creates goals for inclusive, equitable growth, key issues and opportunities include:

1. How can we create a more inclusive (occupation, wages, education level, race) economy?
2. How can our economy be more place-based, resilient, and more walkable.
3. How can we grow the arts and entertainment sector?
4. How do we encourage the transition of our economy to one based in the green industry-sector?
5. How can we reduce friction/barriers to redevelopment?
6. How can we encourage more business start-ups and growth, preferably in the tech industry?
7. How do we encourage more racial equity in business growth and start-ups.

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## 4. SUMMARY GOALS AND STRATEGIES FROM EXISTING PLANS

Carrboro remains committed to strengthening their local economy, thereby monitoring their status, and modifying it to reflect current needs. The Economic Sustainability Plan highlights recommendations that reflect their values, environment, people, and local economy. For a more descriptive context, please see the full document in the appendix.

### A. ECONOMIC SUSTAINABILITY PLAN 2017 TOWN OF CARRBORO

#### Environment: Energy

- i. Implement the recommendations of the Climate Action Plan (CAP) including integrating climate change mitigation into the locally owned marketing message
- ii. Expand opportunities for renewable energy through low cost financing for energy efficiency and renewable energy projects
- iii. Incentivize energy efficiency and green building to exceed minimum standards with special designations and recognition programs and meet climate change demands
- iv. Explore changes to the Energy Efficiency Revolving Loan that would allow greater flexibility and more category of uses, including solar and geothermal
- v. Study potential risks and prepare for the economic vulnerability and stress of events such as extreme weather, water or power outages, or interruption of other energy supply lines

#### Green Economy

- i. Consider Green Business with a special recognition program for businesses that meet or exceed climate change standards
- ii. Support green economy initiatives consistent with the Local Living Economy Task Force
- iii. Study the economic development benefits of land conservation and preservation practices
- iv. Encourage the Tourism Development Authority to promote eco and agricultural tourism
- v. Encourage and support local sourcing between businesses as a means for reducing carbon footprints

- vi. Encourage and support plant-based food businesses and encourage existing food businesses to offer more plant-based food options consistent with the CAP

#### Community Development

- i. Support efforts to create a neighborhood energy diet program consistent with the CAP
- ii. Support efforts to reduce utility cost for the advancement of affordable housing and equity issues related to the environment
- iii. Work with the Carrboro Bicycle Coalition to encourage bike friendly businesses
- iv. Prioritize integration of natural assets, greenways, and open space with development practices
- v. Continue to study and refine development standards that emphasize the importance of walkability and tree cover in the downtown for the economic well-being of the community
- vi. Encourage downtown development that allows for free-flowing vehicular arteries which encourages customers to use downtown businesses but that reduces pollution from traffic jam conditions

#### People: Development

- i. Support and implement goals of the Affordable Housing Plan including grants for critical home repairs and energy efficiency, up-fits to accommodate changing mobility and opportunities to decrease utility payments
- ii. Provide greater incentives for developers to include affordable housing and commercial space in development projects
- iii. Encourage transit-oriented development and support goals to improve pedestrian and bike access in proposed developments

#### Business

- i. Encourage and support businesses to become Orange County Certified Living Wage employers
- ii.
- iii. Seek out and encourage opportunities for light manufacturing industries that can create livelihoods with living wages

- iv. Engage residents in activities that push the locally owned economy message in a fun or educational way
- v. Implement the recommendations of the Parking Plan, especially wayfinding signs that are key to help customers locate parking

#### Equity

- i. Create more opportunities for community conversations around social justices and equity to help develop a shared language and definitions
- ii. Consider adopting an equity rating tool for use in governmental decision-making
- iii. Partner with community organizations to assist residents of color that are not banked or are under banked with the financial capability by expanding access to financial education and coaching
- iv. Implement policies that promote affordable, diverse types of workforce and senior housing as a key component in bridging gaps in equity

#### Local Economy: Partnerships

- i. Continue to support locally owned and operated businesses through CBA and other networking opportunities
- ii. Collaborate with regional partners to develop an online retail application that allows local businesses to compete with growing online retailers
- iii. Encourage collaboration and impact investing among the Arts community by hosting joint work sessions between the ESC, Carrboro & CH Arts Committee, and the OC Arts Commission
- iv. Maximize partnerships with Farmer's Market, SBTDC, SCORE, TDA and other organizations that support a thriving local economy
- v. Encourage and support co-op models as a way to expand business opportunities and address equity gaps
- vi. Partner with minority and women-owned business technical assistance providers and with community development financial institutions that serve MWOB

#### Marketing

- i. Actively educate citizens on the importance of buying and investing locally by communicating through events and various media channels, especially social media campaigns (LLETR-APP B)

- ii. Increase awareness of the revolving loan fund through email, social media, newspaper articles, and peer-to-peer communications
- iii. Develop marketing strategy to assist locally owned businesses in the recruitment of quality staff
- iv. Create a study group to better understand neighborhoods/consumers of color and their unmet needs and wants and develop marketing strategies for outreach

Implement the CAP recommendations that promote Carrboro as a plant-based food business friendly community

#### Accessibility

- i. Support small businesses with opportunities for affordable healthcare options by supporting affordable community clinics and health options like Piedmont Health Services
- ii. Sponsor a health fair with both traditional health and alternative/healing arts providers to provide health education and awareness in the community consist with LLETF-Appendix B
- iii. Implement wayfinding and parking strategies from 2017 Carrboro Parking Study
- iv. Support locally owned businesses with access to capital through the revolving loan funds, connect with investors, and business expansion options by supporting new affordable commercial space
- v. Support building social capital by offering scholarships for membership in the Carrboro Business Alliance for low-asset businesses
- vi. Reach out to businesses, entrepreneurs, and artist of color to understand their needs and the opportunities to help them thrive
- vii. Seek out ways to expand the opportunities for essential services in town, including office and flex space to accommodate growing businesses and more diverse retail categories

#### Funding Capitol: Partnerships

- i. Collaborate with banks and other lenders to provide gap financing and lease assistance to local businesses and non-profits with an emphasis on equity gaps
- ii. Work with local lenders and credit unions to develop incentive programs for funding locally owned businesses and non-profits

- iii. Target light manufacturing opportunities, like development of the Old 86 town-owned property, and partner with the development community, banks, and other governmental agencies
- iv. Target tertiary job sectors like professional services and technology for higher paying jobs
- v. Work with local non-profits to increase awareness of capital funding sources including the Revolving Loan funds
- vi. Seek a better understanding of debt and equity gaps for businesses and artist of color and leverage partnerships to close those gaps
- vii. Work with the Orange County Board of Commissioners on re-examining funding distribution models for the one-quarter cent sales tax funds, called Article 46 funds

#### Accessibility

- i. Update the Revolving Loan Fund and the Business Loan Fund application process to be more streamlined and efficient
- ii. Develop a process for micro-loans to small start-up businesses
- iii. Explore micro-venture funds with investors/owners in Carrboro music and arts community
- iv. Develop a policy for business investment grants that encourage job expansion and new business
- v. Help drive local consumers to businesses by continuing to market and educate the public on buying from and sourcing locally owned businesses
- vi. Expand category of eligible expenditures for Energy Efficiency Revolving Loan Fund to help reduce cost for local businesses and non-profits improving affordability and equity
- vii. Market the Orange County Business Loans and Grants programs to Carrboro businesses. Encourage applying for funds and provide technical assistance as needed

## B. CREATING CARRBORO'S ECONOMIC FUTURE, 2006

1. Improve the development process and land use ordinances to support economic development
2. Branding Carrboro
3. Target "Best Bets" and Market the Town's Assets
4. Enhance Carrboro's Assets

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<sup>1</sup> University of North Carolina System COVID 19 Estimated Revenue Impact Scenarios, August 4, 2020

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