



CHAPTER SEVEN

Economic Sustainability

VISION

Carrboro is a place where businesses thrive, living wage jobs are available and residents can create new businesses. The community supports a vibrant and inclusive local economy that meets the needs of the most vulnerable and underserved populations while supporting the growth of BIPOC businesses and the community as a whole.

Definitions:

A sustainable economy provides long-term financial opportunities for local businesses. Equitable development is attained when all individuals have an opportunity to prosper and outcomes are not predetermined based on one's race, gender, age, creed, national origin, disability, sexual orientation, gender identity/expression or economic status.

KEY FINDINGS

1. Inclusive, equitable growth is fundamental to economic sustainability

Carrboro's diversity in race, ethnicity, language, gender identify, education and culture, is treasured by the community. Throughout the engagement process, residents have expressed a deep concern that without taking action, Carrboro could lose what makes Carrboro different than so many other communities. Carrboro is home to households of virtually every income and education level. The strategies and projects that have been identified aim to provide a pathway toward equitable opportunities and sustainable growth.

Engagement with local BIPOC-owned businesses is critical to success. Outreach efforts during the planning process identified issues including access to resources, equipment, affordable commercial space, and overcoming the challenges of starting a business as major concerns. The recommendations that follow include ideas to address these challenges including developing partnerships to expand access to credit, exploring incubator space to provide affordable, high-quality space, and assistance with technology, marketing, and online tools for local and BIPOC businesses to thrive in Carrboro.

2. Capture a larger share of the regional economy.

Carrboro is located in one of the most dynamic, largest economies in the U.S.¹ From its base in research, education, and technology to attracting Fortune 500 companies, the Triangle is home to innovative, growing companies. Yet, the Town has limited land available for commercial development and has a small amount of office or research space, while residents need to commute out of Carrboro to access regional job opportunities.

Nearly half of all retail spending leaves Carrboro each year -- a total of \$161 million -- as residents shop in surrounding communities.² This may be due to a variety of reasons, including the high cost and limited availability of land. A successful strategy will need to find opportunities to both attract more businesses to serve local needs and better connect residents to existing local businesses, so they are aware of what is available in the community.

3. Arts and culture are building blocks for what makes Carrboro distinct from other communities.

From the Freight Train Blues to Carrboro Music Festival, Carrboro Film Fest and local venues, Carrboro is known for its arts and entertainment offerings. With two major projects – the 203 Greensboro project and new ArtCenter – as well as private venues expanding and relocating – now is the time to determine ways to further enhance the importance of these institutions to the community. As the largest share of Carrboro's economy (38% of businesses and 42% of employees) in the service industries – from education institutions, entertainment and hospitality – thriving arts and entertainment is critical to provide cultural offerings to express the diversity of the Carrboro community.



Artists' rendering of the 203 Project that will house the Town's Recreation, Parks and Cultural Resources Program, the Orange County Southern Branch Library, the Orange County Skills Development Center, Virtual Justice Center, WCOM Radio and Teen Center.

¹ Carrboro is located in the Durham Chapel Hill MSA which is ranked 66th while the Raleigh City MSA is ranked 42 according to the Bureau of Economic Analysis ranking of regional Gross Domestic Product (GDP) in 2017. Taken together, the region's economy is over \$126 B in GDP.

² Esri and Infogroup, 2020

4. Support for locally-owned business start-ups and BIPOC businesses

With graduates and high-tech workers converging in our region from all over the globe, how can Carrboro provide opportunities for business start-ups, and encourage them to stay in the community? With rising costs for both housing and commercial space, what policies and programs can support a thriving community that is affordable for start-ups and innovators? What outreach and technical assistance is needed to BIPOC-owned businesses to encourage them to open and stay in Carrboro?

5. Downtown Carrboro is an economic, social and cultural engine for the community and needs to be well-maintained with an attractive design, provide a diversity of entertainment, restaurants and cultural activities.

Downtown serves as one of the central gathering places in Carrboro. From a place to casually gather at Carr Mill to eating at one of the many restaurants, to attending a special event, the Downtown provides multiple opportunities for residents and visitors. Since it is the most recognizable commercial area in Carrboro, maintaining the health of the Downtown is important for residents, local businesses, non-profit organizations and Town departments.

6. There is a need to diversify the tax base to support local services.

Only 4% of Carrboro's land area is commercial, while 56% of land is residential, 35% is parks, open space, and natural resources and 5% is public use.³ This leads to a reliance on residential properties to fund local services. In fact, eighty-nine percent of the tax base is residential – 77% single-family and condominium and 12% apartments.⁴ Only eleven percent of the tax base is commercial. The Task Force has identified a need to provide additional commercial opportunities to relieve the reliance of local property taxes primarily on residents.

The following section of the chapter lays out the Goals, Strategies and Projects that have been put forward by the Carrboro Connects Task Force based on a wide variety of engagement tools with residents, businesses, and organizations throughout Carrboro. These goals, strategies and projects aim to provide a more equitable, sustainable approach to economic investment in the Town, expanding opportunities for residents, small and BIPOC businesses to grow in the community.

DRAFT METRICS

1. Increase number of BIPOC and small businesses that receive assistance from the Town annually
2. Set a target for number of arts and entertainment businesses and organizations that are assisted annually
3. Reduce annual retail spending gap
4. Increase share of commercial assessed value as percent of *total assessed property value*

³ Town of Carrboro GIS data

⁴ Orange County Tax Assessor, 2019

Goal 1: Create a more inclusive economy and encourage more racial equity in business growth and start-ups.

Strategy 1.1: Create more equitable opportunities for residents and workers to obtain living wage jobs and a career path to support one's household.

- a) Encourage and support businesses to become Orange County Certified Living Wage employers. While the Town cannot require living wages, it can encourage employers to become Orange County Certified Living Wage employers. The Town can also profile employers who meet this standard through social media, events, and promotion.
- b) Seek out and encourage opportunities for light manufacturing industries that can create livelihoods with living wages. Carrboro can reinforce its roots and support light manufacturers in town that provide employment opportunities and are increasingly an important part of the regional economy. The Land Use Ordinance should continue to offer and identify new areas that are zoned for light manufacturing to expand the Town's tax base while providing employment opportunities.
- c) Expand access to capital for locally-owned and BIPOC businesses and entrepreneurs. Partner with community organizations, credit unions and Community Development Financial Institutions to assist low-income, immigrants and BIPOC households and businesses that are not banked through financial education and coaching (Economic Sustainability Plan). Rates for the unbanked are much higher for BIPOC households and businesses which often leads to high interest payments due to payday cash advance and title loans. Through education, partnerships and ensuring that people know what products are available, more Carrboro residents can qualify for low-cost banking products including credit cards, mortgages, and small business loans.

Strategy 1.2: Support existing and attract new businesses that include a range of BIPOC, gender, ethnicities, and multiple abilities.

- a) Utilize an equity rating tool such as a racial equity analysis for use in governmental decision-making.
- b) Pursue marketing efforts to support locally-owned businesses that reflect the diversity of the community. The Town's marketing efforts including its web site, use of social media and local events can highlight the diverse aspects, providing role models for youth, attracting more visitors into Carrboro, and leading to greater economic success of these businesses.
- c) Based on an inventory of needs of local businesses, provide support for technology upgrades to be more competitive online and in-person. The Town can connect local, BIPOC and other diverse businesses to regional training providers that provide technical skills, software, and certifications.



Present Day on Main provides a gathering space for local residents and is an example of a BIPOC-owned business that is bringing people together through food, culture and music

Strategy 1.3: Expand access to capital for entrepreneurs, locally-owned and BIPOC businesses.

- a) Collaborate with banks and other lenders to provide gap financing, micro-loans, and lease assistance to local businesses and non-profits with an emphasis on equity gaps. Start-up costs can be substantial for new businesses who often do not qualify for traditional lending products. The Town can explore on its experience during COVID-19 in partnering with banks and local lenders to determine ways to provide gap financing so that businesses can start-up, expand, acquire new space, or develop new products and services.
- b) Work with local lenders and credit unions to develop and market affordable products for financing locally owned businesses and non-profits. Several banks and financial institutions have financial products for small businesses and entrepreneurs, but they may not be aware of the availability, or do not think they could qualify for the products, or there are some barriers to accessing the products. By connecting Carrboro entrepreneurs and local businesses to these financial institutions including credit unions, CDFIs and banks, the Town can make sure that there is knowledge of affordable and fair lending products available to them and advocate for modifications to meet the local needs of small businesses.
- c) Increase awareness of the Town's revolving loan fund through email, social media, newspaper articles, and peer-to-peer communications. The revolving loan fund is a successful program that many local businesses, particularly BIPOC businesses, may not be aware of or may qualify for it. Through increased marketing and fine-tuning the revolving loan fund, the Town may be able to reach more businesses to provide this critical financial resource.
- d) Work with locally-owned and BIPOC businesses to help them navigate development review, permitting, building code and other interactions with the Town.

- e) Continue to support locally owned and operated businesses through CBA and other networking opportunities.
- f) Support building social capital by offering scholarships for membership in the Carrboro Business Alliance for low-asset businesses.

Goal 2: Promote economic development that is resilient, promotes excellence in design, reinforces a sense of place, expands commercial development opportunities, promotes infill development and reduces the tax burden on residents.

Strategy 2.1: Support well-planned and designed, higher density and mixed-use development in the downtown.

- a) Develop a small area plan for the downtown. Plan for new, well-designed mixed-use development and public spaces on vacant and underutilized parcels in and near the downtown.
- b) Identify areas for the downtown to grow, such as the area around OWASA & the new ArtsCenter site on Jones Ferry Road as identified in the Land Use element.
- c) Continue to market events and activities in the downtown and Town Commons that reinforce the sense of place and bring more residents, visitors, and customers into Carrboro. Market events including the Carrboro Film Fest, Freight Train Blues, Carrboro Music Fest, Carrboro Day, and other events that celebrate the community.
- d) Improve signage and wayfinding in and near the Downtown to make it easier to find parking, bike trails, and key destinations including both public facilities and private destinations.
- e) Reinforce civic spaces in the downtown with the opening of 203 S. Greensboro and the planned renovation of the Century Center. Ensure there is a high level of walkability, bike-ability, and one-time parking for public facilities across these facilities.



This site on E. Main St. just east of the railroad tracks could be home to preserving existing buildings and siting a new cultural incubator and public plaza to extend the amenities from the adjacent Carr Mill.

Strategy 2.2: Strengthen other business districts and commercial areas in Carrboro's neighborhoods.

- a) Plan for mixed-use business districts and upgrade shopping centers into multi-use destinations outside of the downtown such as nodes along Route 54 at Main Street and Jones Ferry Road, on Homestead Road and at the intersection of Smith Level and Culbreth. Consider proposals for mixed-use development that meets appropriate scale and high-quality design at these destinations that create more walkable destinations for business and residential users rather than traditional, auto-oriented shopping centers.

Strategy 2.3: Aim to close the retail spending gap to keep more of Carrboro's spending power within the Town.

- a) Identify market segments and recruit local, regional and/or BIPOC businesses that can provide goods and services to keep spending in town. Work with local businesses to understand their market reach, how they can diversify product offerings to reach more customers and develop marketing campaigns to reach more customers through convenience, local nature of stores, and selection.
- b) Actively educate citizens on the importance of buying and investing locally by communicating through events and various media channels, especially social media campaigns through the Carrboro Business Alliance and other relationships. Create a marketing campaign focused on the rich variety of offerings in Carrboro by highlighting local businesses.

Goal 3: Grow the arts, entertainment, cultural and tourism sectors of the economy.

Strategy 3.1: Support expanded access to capital to the cultural community (arts, music, cultural institutions, etc.) including businesses and non-profit organizations.

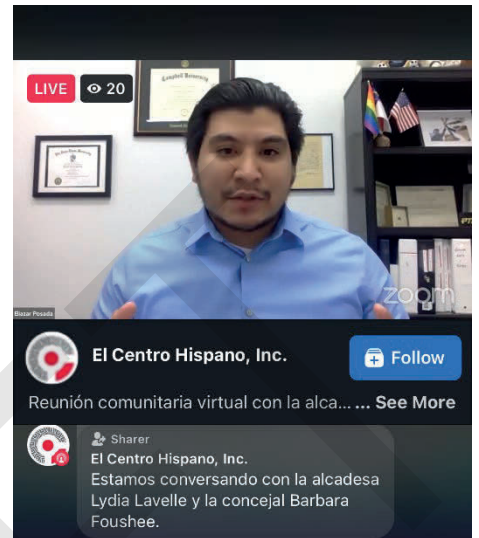
- a) Explore micro-venture funds with investors/owners in Carrboro music and arts community. Develop relationships with financial institutions including credit unions and CDFIs to offer tailored products that meet the needs of music, arts and cultural organizations and businesses.
- b) Gain a better understanding of debt and equity gaps for businesses and artists of color and leverage partnerships to close those gaps through lending products and other actions that can best meet the needs of businesses and artists of color.

Strategy 3.2: Create a cultural market.

- a) Grow an entrepreneurial class of cultural-related businesses that can be successful in Carrboro such as creating a regular place (e.g., at the Town Commons and other key locations) for hosting markets or sales of crafts and cultural offerings.

Strategy 3.3: Expand tourism opportunities

- a) Work with regional tourist marketing efforts to promote Carrboro including trails, University Lake, local arts, music, and events. Partner with the Carrboro Tourism Development Authority to expand marketing efforts and provide seed funding to local events and activities.
- b) Update land use policies and regulations for short-term rentals. Identify policies needed to allow for short-term rentals to support the local economy and events while preserving neighborhood character.
- c) Determine demand for additional hotel and conference space. Identify potential market for additional hotel and conference space that can meet local demand while providing revenue to support local arts and tourism.
- d) Encourage the Tourism Development Authority to promote eco and agricultural tourism. Identify unique aspects of Carrboro that can attract additional users that may come to the community as well as support restaurants and local businesses.



One of the ideas that arose through a Carrboro was to explore the creation of a cultural market in Carrboro



Many businesses have embraced outdoor dining and activities, bringing activity to the public and private realms

Strategy 3.4 Support business opportunities and unique ownership models

- a) 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. Identify the demand for additional office and research space and the appropriate facilities. Determine if increased work-at-home trends may also lead to additional flex offices for remote work.
- b) Target research and development opportunities, such as the Old 86 town-owned property, and partner with the development community, banks, and other governmental agencies. Identify locations both in-town and along commercial corridors for additional space.
- c) Encourage and support co-op models to expand business opportunities and address equity gaps. Explore ways to expand cooperative ownership models like Weaver Street Market to other types of retail and business services.

Goal 4: Encourage the transition of the economy to one based on green technology and low-impact industries.

Strategy 4.1 Promote energy efficiency, renewable energy, and green buildings.

- a) Expand opportunities for renewable energy through seeking low-cost financing for energy efficiency, renewable energy projects and community generation. Identify programs offered by utilities, financial institutions, state, and federal sources that can provide low-cost financing and grants.
- b) Incentivize energy efficiency and green building to exceed minimum standards with special designations, recognition programs, and that meet climate change demands.

Strategy 4.2: Promote the green economy including local innovators and low-impact industries.

- a) Explore additional changes to the Energy Efficiency Revolving Loan that would allow greater flexibility and more category of uses, including solar and geothermal, using strategies such as communication with past recipients and potential applicants to determine any barriers or challenges in the Revolving Loan that can be addressed to improve the program.
- b) Create connections between BIPOC residents and small businesses to growing green economy fields. Create networking opportunities and educational events with the Chapel Hill Carrboro Chamber, UNC Chapel Hill, Duke University, Research Triangle, El Centro, Urban League, and other organizations to generate leads for additional business opportunities.
- c) Create a special recognition program for businesses that meet or exceed climate change and support green economy initiatives consistent with the Local Living Economy Task Force.
- d) Encourage and support local sourcing between businesses as a means for reducing carbon footprints. Encourage major institutions and employers to purchase locally to support businesses and reduce transportation costs and carbon footprint.
- e) Encourage and support plant-based food businesses and promote existing food businesses to offer more plant-based food options consistent with the CAP.

- f) Support the continuation of agricultural businesses and production in the ETJ and Transition Areas to preserve the rural character of the area and maintain food production close to Town to reduce emissions in transporting food long distances.

Strategy 4.3: Attract a greater share of high tech, biotech and research, and development industries.

- a) Partner with UNC Chapel Hill, Duke University to identify opportunities for start-up industries in Carrboro. Identify local start-ups that can operate at home, in shared incubator spaces, or new flex spaces.
- b) Identify additional lands for research and development in Carrboro connected to regional institutions. Identify the needs for physical spaces such as lab and office space. Consider the creation of an economic development district to support business growth that provide benefits to the community.
- c) Recruit incubator start-ups looking for a new location. Reach out to start-ups to determine their space needs, support, and any obstacles they are facing in finding either their first or a move-up location. Assemble a list of properties that could be adapted for start-up use.

RELATED STRATEGIES AND PROJECTS IN OTHER CHAPTERS

Affordable Housing

- Diversify and expand a variety of housing options throughout Carrboro using a mixture of affordable housing types.
- Expand resources targeted to affordable housing.

Climate Action & Environment

- Expand the Worthwhile Investments Save Energy (WISE) Program and Energy Efficiency Revolving Loan Fund (EERLF).
- Collect and communicate data to the public and decision-makers on food-related greenhouse gas emissions for dining facilities and households in Carrboro.
- Develop and promote technical assistance programs for small business owners, income-qualified homeowners, and renters to install weatherization, energy efficient, and water conservation measures.

Transportation & Mobility

- Work with Chapel Hill Transit to develop longer-range plans for Bus Rapid Transit (BRT), improved connectivity, connections to regional transit services, park-and-ride facilities, and

transit-supportive land use development such as pedestrian-friendly, high-density, and mixed use.

- Continue to expand a multimodal transportation system that includes prioritizing walking, biking and transit as viable means of transportation and physical activity.
- Improve the management of parking spaces in the downtown area.
- Implement wayfinding and parking strategies from the 2017 Carrboro Parking Study that provides more locations to “park once.”

Green Stormwater Infrastructure, Water & Energy

- Improve energy efficiency of buildings to reduce emissions related to energy use.
- Increase Carrboro's use of renewable energy.
- Promote water conservation and efficiency efforts among residents and businesses.

Recreation, Parks and Culture

- Strengthen a sense of community and inclusion through the arts, events, and cultural programming that celebrates the diversity in Carrboro.
- Encourage expanded compatible uses of the Town Commons to include year-round programming such as a crafts and artisan markets.
- Support placemaking projects that promote the Carrboro story and brand.

Land Use

- Support walkable, bikeable, place-based business growth and development.
- Encourage development along transit lines and improve pedestrian and bike access in proposed developments.
- Provide greater incentives for developers to include affordable housing and commercial space in development projects.
- Improve the development approval process to be more predictable and efficient while continuing to offer vibrant community participation.
- Develop written standards for each board and commission which has responsibility for development review.