



# **DOWNTOWN HIGH POINT STRATEGIC PLAN**

Prepared for  
Forward High Point, Inc.

Date Adopted  
September 2023

DOWNTOWN  
HIGH POINT



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# I. INTRODUCTION

Over the years, many initiatives have taken place to help revitalize High Point's downtown. In 2016, the City decided to focus its efforts on facilitating the development of a catalyst project to drive private sector investment within a specific area of downtown. The City established Forward High Point (FHP), Inc., a 501(c)(6) organization, to lead the development of this catalyst project. Under FHP's leadership, a market analysis was completed for a stadium, a site was selected, and land was purchased and developed into a multi-use stadium catalyst project - Truist Point Stadium. The development of the stadium has helped leverage over \$100 million in private investment in downtown. The primary focus of FHP has been the development of the catalyst project and facilitating development of the area around Truist Point. The stadium is now in full operation and the initial development goals have been realized. The downtown area is seeing new investment, restaurants and offices, with residential and hospitality projects planned.

As FHP began to evaluate its next steps as an organization and its future priorities, it became apparent that a strategic plan was needed to help guide the mission and program of work for FHP in relationship to the broader downtown. Specifically, the organization determined that it was a priority to assess its goals and objectives, while looking to transform FHP into a more traditional downtown development organization. This led FHP to begin a strategic planning process in 2022 to determine the organization's direction over the next five years. The following document provides details on the findings of the strategic planning process and recommendations to help FHP become a more comprehensive downtown development organization.



Strategic Planning Session with the FHP Board of Directors - October 5, 2022

## Strategic Planning Process

The strategic planning process included work sessions with the Forward High Point Board of Directors, the Executive Committee, listening sessions with a wide range of stakeholders and experts, and a community-wide survey to receive input from the general public. The input received helped to identify services that are needed downtown, and the vision, mission, and goals of the organization. The process also included an examination of Forward High Point's service and coordination areas. The process concluded with the development of recommendations for the organization over the next five years. A timeline summarizing the steps in the process is displayed below.

Date	Steps in the Process
October 2022	Kickoff meeting with Forward High Point Board of Directors
October - November	Listening Sessions with over 70 stakeholders and constituents
November	Community Survey with 546 participants during the month of November
December	Prepare Survey and Boundary Analysis (Downtown Assessment)
January	Executive Committee Meeting
January	Board of Directors Meeting
February	Executive Committee Meeting
February	Executive Committee Meeting
April	Coordination Meeting with Partner Organizations
April	Board of Directors Update on the Key Mission Areas
May - June	Draft Plan Prepared
June - July	Staff and Executive Committee Review of Draft Strategic Plan
July	Board of Directors Review of Draft Strategic Plan
August	Public Meeting
August	Final Executive Committee Review
September 2023	Adoption

## II. DOWNTOWN ASSESSMENT

As part of the strategic planning process, an assessment of the downtown was completed to understand business and property owner needs, community desires, and residents views on the geographic extent of downtown High Point. In addition, the assessment included the identification of activities and focus areas that should be priorities for the organization over the next five years.

### Listening Sessions

As part of the strategic planning process, the organization conducted in-person and virtual group interviews, or listening sessions, with a range of constituents to assess community knowledge and opinions of Forward High Point and the accomplishments that have been made in downtown.

All of the listening sessions were conducted during the months of October and November (2022), with in-person meetings taking place on October 31 and November 3, 2022. Over 70 people were interviewed, mostly in small groups. The interviewees included business owners, elected officials, city staff, civic organization leaders, real estate and development interests, Forward High Point board members, and others with an interest in or affiliation with downtown High Point. A summary of the key points included the following:

- Forward High Point has been doing a great job; however, their primary role in downtown may need to change now that the major real estate has been acquired and the major component of the catalyst project has been built.
- A number of community organizations have overlapping areas in terms of mission and activities. How can Forward High Point help coordinate efforts among these groups in downtown?
- A list of potential services to be provided by FHP included:
  - Marketing and promotions,
  - Parking and traffic issues,
  - Safety / security,
  - Pedestrian connectivity (walkability),
  - Communications on events,
  - Coordination between the City, private sector, and non-profit organizations,
  - Trash pick-up,
  - Design services / input on physical/urban design matters, and
  - Assisting developers with navigating through the development process.
- Although they were generally familiar with FHP, some of the stakeholders were not fully aware of FHP's mission and operations. Several participants mentioned that a name change might help clarify what the organization is focused on.
- A number of the participants thought that there may be a need to expand upon the existing funding resources and partnerships: potentially through a municipal service district (MSD).
- Forward High Point has the opportunity to provide a number of the identified services and projects. The strategic plan should help the organization define its areas of focus, determining staffing and financial needs.

## **Community Survey**

An online community survey was open to the public throughout the month of November. The survey included a range of questions designed to get input on the community's thoughts about Downtown. In total, 546 people participated in the survey. Highlights from the survey responses are shown on the following page, and the full results are provided in Appendix A.

# Community Survey Highlights

546 people participated in the community survey during the month of November.

## Where do you live?



**75%** of the survey respondents live within the High Point city limits and **46%** have lived in the city more than 20 years

## Perception

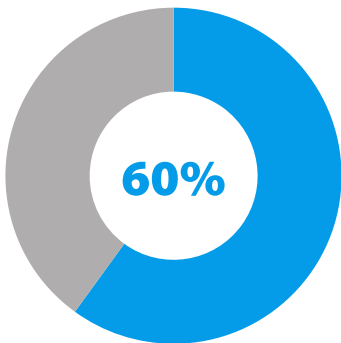
**52%**

Think that downtown is great or okay

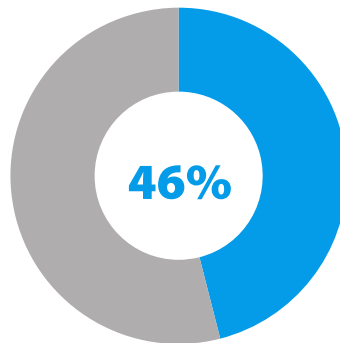
**19%**

Think that downtown is empty

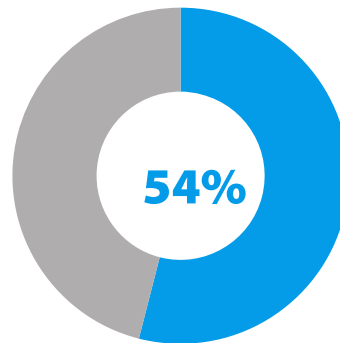
## Visiting Downtown



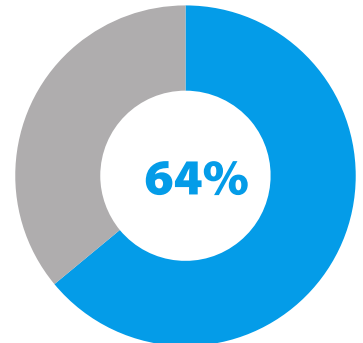
visit downtown once a week or several times a week or more



visit downtown for events at the stadium



visit downtown for dining and entertainment



would visit more often if there were **MORE** restaurants, shops, and businesses

## In general, people would like to see more of:



Restaurants and bars

Entertainment

Stores

Small Businesses

## In general, people would like to see improved areas for:



Pedestrians

Bicyclists

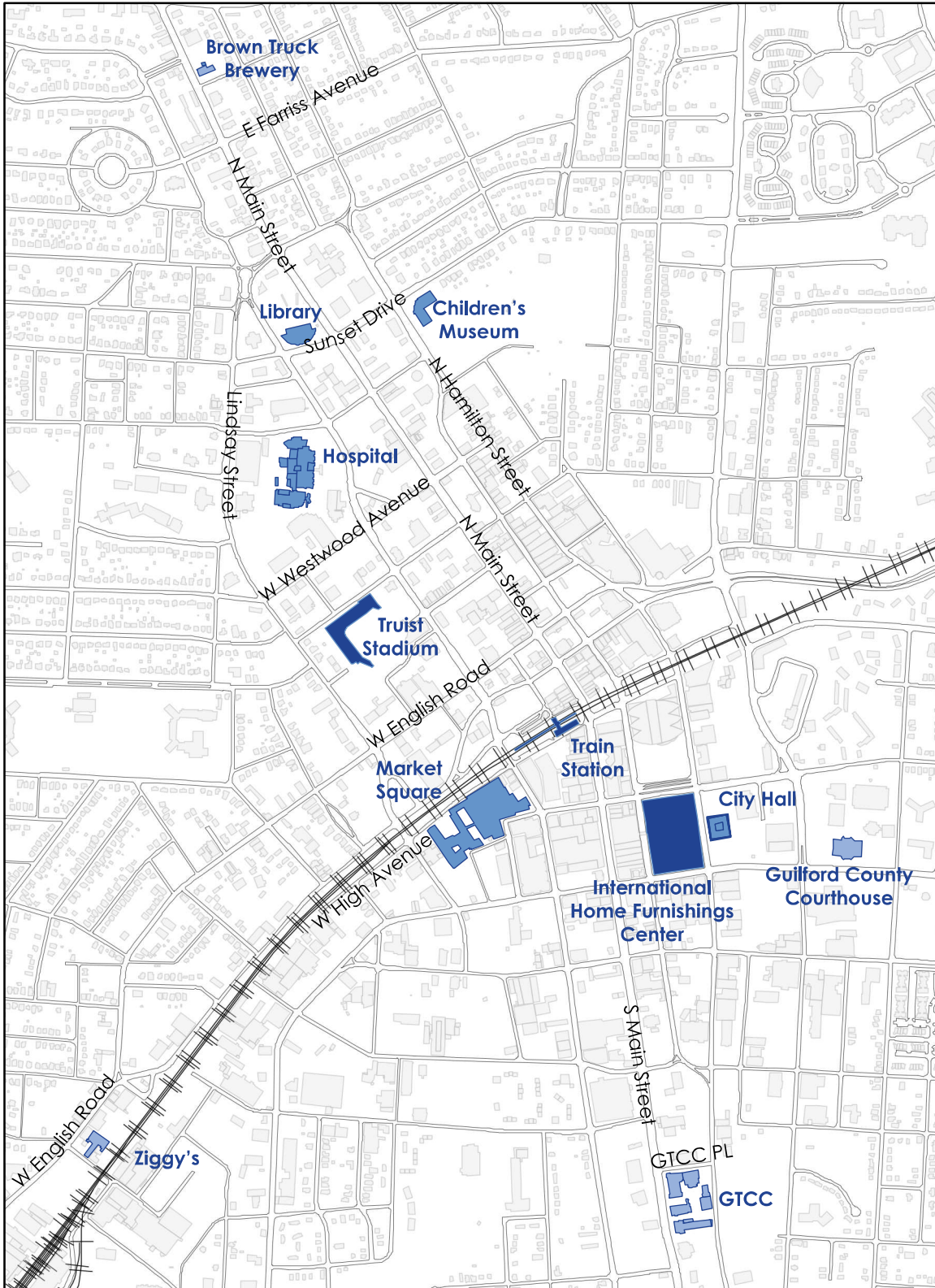
Parks and Recreation

Green Space



# Downtown Coordination Area

Over the years, there has been considerable debate regarding the geographic extent of what people consider to be Downtown High Point. In order to help answer this question, the survey included a question focused on key destinations to find out what people consider to be in downtown (see the results below). Those destinations receiving more than 40 percent include Truist Stadium, the Train Station, the International Home Furnishings Center, the Hospital, the Library, Market Square, City Hall, and the Guilford



The following list identifies the percent of respondents that feel each location is within downtown:

- 38% - Brown Truck Brewery
- 62% - Library
- 54% - Children's Museum
- 62% - Hospital
- 86% - Truist Stadium
- 84% - Train Station
- 59% - Market Square
- 75% - International Home Furnishings Center
- 54% - City Hall
- 45% - Guilford County Courthouse
- 27% - Ziggy's
- 21% - GTCC

County Courthouse. The other destinations, which included, Brown Truck Brewery, Cohab Space, and Guilford Technical Community College, were considered by roughly 20 to 30% of respondents as being located in downtown. After reviewing the survey results, listening session notes, and information received from the FHP work sessions, a broad area was identified that represents what most people consider to be the historical center of High Point.

This area, called the Downtown Coordination Area (DCA), as displayed on the following page, is roughly bounded by State Avenue on the north, Grimes Avenue on the south, Centennial Street and Hamilton Street on the east, and Lindsay Street on the west. The area consists of key destinations that many consider to be within Downtown High Point. The DCA also includes or intersects with the eight districts identified by the City's recent branding study. The DCA establishes the geographic extent where FHP should coordinate with stakeholders, partners, and other entities to revitalize the City's historic core - it's downtown.

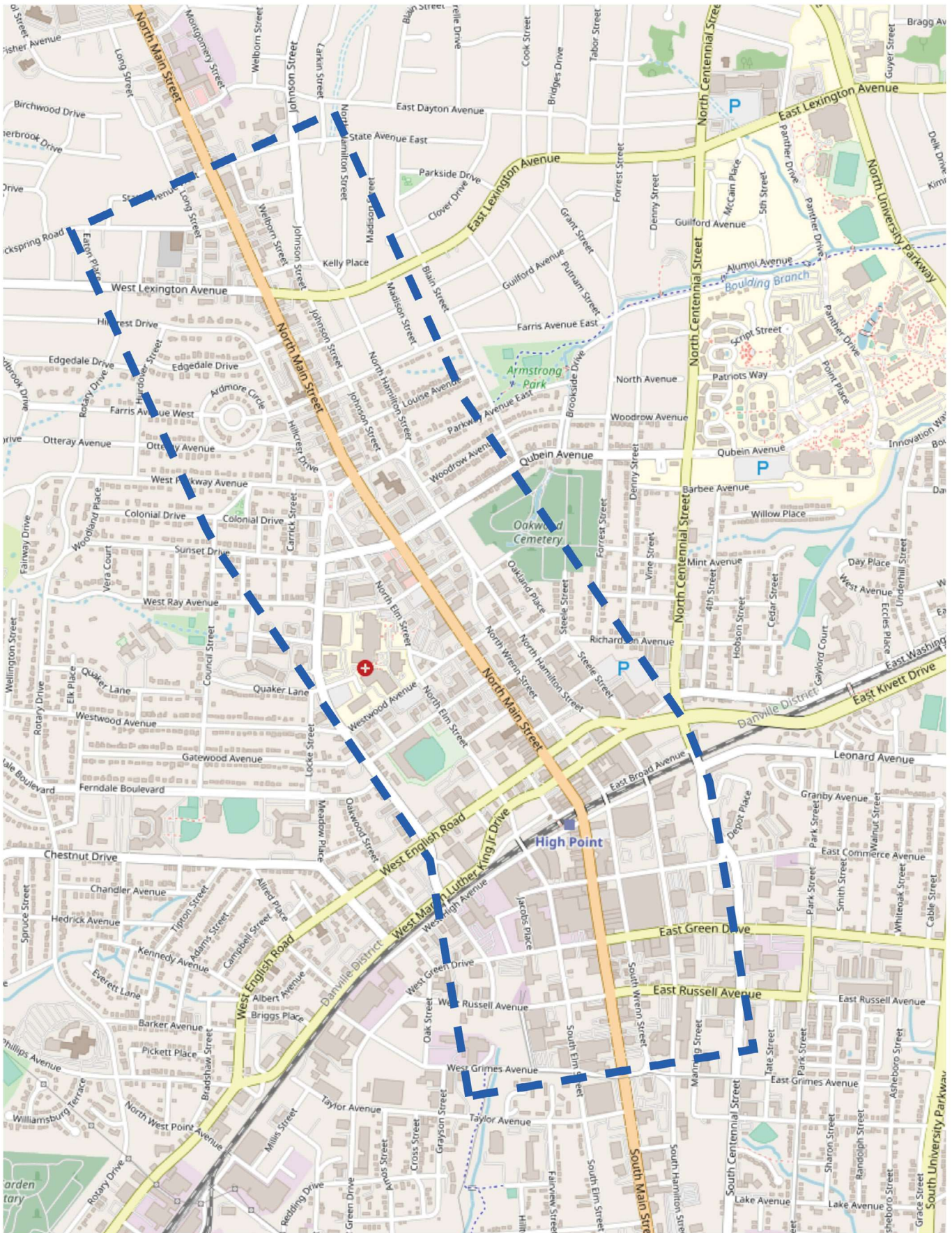
## Focus Areas and Activities

This part of the assessment identifies the areas that should be considered as part of Forward High Point's overall mission. An initial list of potential activities and focus areas that FHP could undertake to improve downtown was prepared for the review and refinement of the Executive Committee. The list included items identified from the previous input and work sessions, and activities that a typical downtown organization engages in. Specifically, the initial list included the following:

- Existing Business Support Programs
- New Business Recruitment
- Economic Development Outside of Downtown
- Acquire Land for Private Development
- Acquire Land for Public Development
- Activate / Develop Public Space
- Urban Design Advocacy
- Private Development Recruitment
- Public / Community Event Promotion
- Public / Community Event Sponsorship
- Public / Community Event Management
- Public / Community Event Coordination and Deconfliction
- Transportation Improvements
- Transportation Safety
- Public Art
- Branding and Marketing
- Historic Preservation
- Tourism Promotion
- Public Safety and Security Advocate
- Public Safety and Security Provider
- Public Space Improvement / Aesthetic Enhancements
- Streetscape and Public Space Maintenance
- Litter Clean Up / Additional Trash Can Provision / Street Sweeping
- Local Legislative Advocacy
- State Legislative Advocacy
- Real Estate Development / Ownership / Management
- Parking Management / Enforcement
- Inter-Agency Project Coordination
- Downtown Ambassadors / Navigators



# Downtown Coordination Area



The Executive Committee reviewed the initial list and developed a refined list of activities and focus areas. From the initial list, the Executive Committee defined Forward High Point's mission to be an organization that:

- Develops a brand for downtown and implements marketing campaigns.
- Advocates for good urban design in both public and private development projects.
- Engages in the legislative process at the local and state levels to bring about positive change and protect its interests.
- Acquires and holds land for private development opportunities.
- Develops and implements programs to support established downtown businesses.
- Works with its partners to recruit small businesses to downtown.
- Promotes the development of housing within downtown.
- Plans for and implements projects to activate public space.
- Advocates for public safety enhancements and serves as a liaison to local law enforcement.
- Provides supplemental (or primary) maintenance of the streetscape and public spaces (inclusive of litter collection, street sweeping, etc.).
- Coordinates downtown construction and development projects between stakeholders: developers/property owners/city departments/state agencies/etc.
- Develops and implements a downtown ambassador / navigator service.
- Advocates for historic preservation, adaptive reuse, and the rehabilitation of historic properties.

## **Coordination with Partner Organizations**

Once the list of focus areas and activities was established, a meeting was held with the key partner organizations operating in downtown to determine areas of overlap. The organizations included Visit High Point, Business High Point, High Point Economic Development Commission, and the High Point Market Authority. A chart highlighting the areas of focus was developed as part of that meeting for each organization. The chart assisted with identifying areas of overlap and potential conflicts, which will help promote efficiency across the organizations in the future, identifying areas where coordination is needed on the issues that matter most. The table on the following page highlights where Forward High Point's potential focus areas and activities have some overlap with other organizations operating in downtown (as indicated by a blue dot). After identifying the areas of overlap with the partner organizations, the final focus areas and activities were presented to the Board of Directors for their discussion. The Board agreed that the list of focus areas and activities well-represented the future areas of focus and activities for the organization.



## Areas of Coordination with Partner Organizations

Focus Areas / Activities	VHP	BHP	EDC	MA
Develops a brand for downtown and implements marketing campaigns	●	●		
Advocates for good urban design in both public & private development projects				
Engages in the legislative process at the local and state levels to bring about positive change and protect its interests	●	●	●	●
Acquires and holds land for private development opportunities				
Develops and implements programs to support established downtown businesses		●		
Works with its partners to recruit small businesses to downtown	●	●	●	
Promotes the development of housing within downtown				
Plans for and implements projects to activate public space	●			
Advocates for public safety enhancements and serves as a liaison to local law enforcement				
Provides supplemental (or primary) maintenance of the streetscape and public spaces (inclusive of litter collection, street sweeping, etc.)				●
Coordinates downtown construction and development projects between stakeholders: developers/property owners/city departments/state agencies/etc				
Develops and implements a downtown ambassador / navigator service				
Advocates for historic preservation, adaptive reuse, and the rehabilitation of historic properties				

**NOTE:**

- VHP = Visit High Point
- BHP = Business High Point
- EDC = High Point Economic Development Commission
- MA = High Point Market Authority

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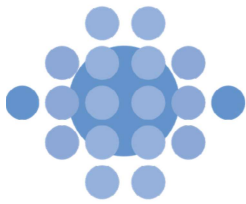


# III. RECOMMENDATIONS

This section of the document outlines the vision, mission, goals, and strategies that the organization should work toward implementing over the next five years. The recommendations also include how the organization should be constituted and funded to help achieve the overall Vision for Downtown High Point.

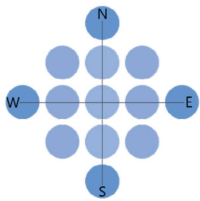
## Vision, Mission, and Goals

The vision for the organization emerged from the focus areas and activities that were identified to meet the needs of the organization’s stakeholders within Downtown High Point. The vision builds upon the desire of Forward High Point to help create a downtown environment that encourages high quality reinvestment in the center city of High Point. The Vision, Mission, and Goals of the organization are outlined below.



### VISION

Downtown High Point will be a creative and vibrant entertainment, cultural, entrepreneurial, civic, and residential focused downtown area within the core of our city.



### MISSION

We will engage downtown stakeholders through programming, marketing, and placemaking initiatives, while advocating for a stronger downtown.



### GOALS

Our goals provide focus and guidance for achieving our vision and carrying out our mission. The goals provide the framework for organizing our areas of focus and activities to meet the needs of our stakeholders.

#### GOAL #1 - PLACEMAKING

Advocate for the development of a strong sense of place.

#### GOAL #2 - BUSINESS SUCCESS

Encourage business retention and the development of new small businesses.

#### GOAL #3 - CLEAN & SAFE

Maintain a clean, welcoming, and safe environment.

#### GOAL #4 - MARKETING & PROMOTION

Promote and market downtown as a major destination in the City.

# GOAL #1 - PLACEMAKING

## Advocate for the development of a strong sense of place.

During the strategic planning process, the desire of stakeholders to create a strong sense of place in Downtown High Point was a common theme. Many of the participants in the process discussed ways to improve the design of the built environment, the streetscape, and public spaces. Across the country, this movement has become known as placemaking. The key ingredients to making Downtown High Point a great place is providing opportunities for social interaction, places for people to gather and people watch, activities and things for people to do, and creating a comfortable and safe environment that is well connected and easy to move around. This in turn will help encourage more people to visit and live in downtown. The implementation of this goal will help develop a creative and vibrant downtown.

### Objectives & Strategies

In the table below, the primary objectives for this goal are listed within the blue rows, which are followed by strategies. The suggested time frame of focused implementation for each strategy is indicated by the green bars for the first year, one to three years, three to five years, and greater than five years.

GOAL #1 - PLACEMAKING	1	1-3	3-5	5+
<b>Objective A - Advocate for good urban design in both public &amp; private development projects.</b>				
Strategy 1 - Act as a liaison for City review of downtown projects.	█			
Strategy 2 - Provide design assistance and workshops for property owners	█			
Strategy 3 - Assist the City with preparing and implementing design standards and development regulations for downtown.		█		
<b>Objective B - Acquire and hold land for private development opportunities.</b>				
Strategy 1 - Identify and maintain a list of acquisition targets that align with the mission and development priorities of the organization.	█			
Strategy 2 - Maintain access to capital funding and organizational capacity to acquire, hold, and dispose of real property.	█			
<b>Objective C - Promote the development of housing within downtown.</b>				
Strategy 1 - Conduct a residential market study and action plan.		█		
Strategy 2 - Survey major employers to identify potential downtown residents.	█			
Strategy 3 - Identify any barriers to the construction of new housing downtown.		█		
Strategy 4 - Work with the City to identify and implement regulatory, financial, and other incentives for the construction of new downtown housing.		█		
<b>Objective D - Plan for and implement projects to activate public space.</b>				
Strategy 1 - Engage stakeholders to determine public space priorities.	█			
Strategy 2 - Collaborate with the City to plan for and establish new public spaces.		█		
Strategy 3 - Take the lead in the programming of public spaces.		█		



<b>GOAL #1 - PLACEMAKING (Continued)</b>	<b>1</b>	<b>1-3</b>	<b>3-5</b>	<b>5+</b>
<b>Objective E - Coordinate downtown construction and development projects between stakeholders: developers/property owners/city departments/state agencies/etc.</b>				
Strategy 1 - Maintain a working relationship with developers, realtors, property owners, city departments, and others to ensure potential projects are identified early.				
Strategy 2 - Provide guidance to potential developers and property owners to help ensure the development of successful projects in downtown.				
Strategy 3 - Maintain a list of available sites and properties on website.				
<b>Objective F - Advocate for historic preservation, adaptive reuse, and the rehabilitation of historic properties.</b>				
Strategy 1 - Educate property owners on the benefits and incentives available for projects that preserve or rehabilitate historic buildings.				
Strategy 2 - Work with property owners and the Historic Preservation Commission to prepare individual National Register nominations for eligible properties.				
Strategy 3 - Work closely with Historic Preservation Commission and City on initiatives and projects within the downtown.				



Outdoor gathering space at the Brown Truck Brewing



## GOAL #2 - BUSINESS SUCCESS

**Encourage business retention and the development of new small businesses.**

Downtowns thrive when there is a concentration of small, locally owned businesses providing entertainment, dining, and shopping options. While downtown High Point has a growing number of those types of businesses, there is a need for a greater concentration. Although the implementation of placemaking initiatives, clean and safe services, and marketing programs will help attract and retain new businesses, strong relationships need to be maintained with local business owners and operators to ensure the organization is meeting the program and service needs of the downtown business community. This increased communication will help identify needs and gaps to improve the business environment and identify the types of business needed to compliment existing businesses.

### Objectives & Strategies

In the table below, the primary objectives for this goal are listed within the blue rows, which are followed by strategies. The suggested time frame of focused implementation for each strategy is indicated by the green bars for the first year, one to three years, three to five years, and greater than five years.



Paddled South Brewing Company

GOAL #2 - BUSINESS SUCCESS	1	1-3	3-5	5+
<b>Objective A - Develop and implements programs to support established downtown businesses.</b>				
Strategy 1 - Hold meetings with business owners to identify the types of business support programs that would be most beneficial to downtown businesses.		■■■■■		
Strategy 2 - Coordinate with the City on the selection, review, and implementation of facade and site improvements within the DCA.		■■■■■		
Strategy 3 - Coordinate with partner organizations to develop and implement small business assistance incentives and grant programs.		■■■■■		
<b>Objective B - Work with its partners to recruit small businesses to downtown.</b>				
Strategy 1 - Establish a priority list of business types for recruitment.		■		
Strategy 2 - Develop and implement a recruitment strategy in coordination with partner economic development organizations.		■■■■■		









## GOAL #3 - CLEAN & SAFE

### Maintain a clean, welcoming, and safe environment.

Part of place management and placemaking is to maintain a clean, welcoming, and safe environment. Many downtown organizations accomplish this goal by contracting with a company that provides services in these areas to meet the needs of their districts. Many of the strategies for this goal are focused on evaluating what additional services may be needed over time to ensure a plan is in place to keep downtown looking great as it grows. The current level of city services is working well; however, as downtown grows, a greater level of services will most likely be needed.

### Objectives & Strategies

In the table below, the primary objectives for this goal are listed within the blue rows, which are followed by strategies. The suggested time frame of focused implementation for each strategy is indicated by the green bars for the first year, one to three years, three to five years, and greater than five years.

GOAL #3 - CLEAN & SAFE	1	1-3	3-5	5+
<b>Objective A - Advocate for public safety enhancements and serves as a liaison to local law enforcement.</b>				
Strategy 1 - Coordinate with stakeholders and partner organizations to identify needed public safety improvements and advocate for the funding and resources needed to enhance public safety.				
Strategy 2 - Integrate the operations of the downtown ambassador program with local public safety agencies.				
<b>Objective B - Provide supplemental (or primary) maintenance of the streetscape and public spaces (inclusive of litter collection, street sweeping, etc.).</b>				
Strategy 1 - Prepare an inventory of the current maintenance operations, roles, and responsibilities within the operational boundary.				
Strategy 2 - Work with stakeholders to determine whether gaps exist in the provision of sanitation and services and the maintenance of public spaces.				
Strategy 3 - Advocate for existing service providers to fill gaps and provide supplementary services where the provider is unable to expand maintenance operations to meet expectations.				
<b>Objective C - Develop and implements a downtown ambassador / navigator service.</b>				
Strategy 1 - Study successful downtown ambassador programs to identify a model that corresponds to High Point's needs.				
Strategy 2 - Develop a funding and operational plan for the implementation of the ambassador program in cooperation with downtown stakeholders.				
Strategy 3 - Implement the ambassador program and regularly evaluate its effectiveness in achieving organizational goals.				

# GOAL #4 - MARKETING & PROMOTION

## Promote and market downtown as a major destination in the City.

Marketing Downtown High Point is a multifaceted endeavor undertaken by a variety of partner organizations with an interest in downtown. It is important for FHP to work closely with partner organizations in these areas to ensure that a clear and consistent message is being communicated by each organization. In addition, this cooperative effort allows for each organization to highlight their individual areas of focus and advocacy for specific projects and initiatives.

### Objectives & Strategies

In the table below, the primary objectives for this goal are listed within the blue rows, which are followed by strategies. The suggested time frame of focused implementation for each strategy is indicated by the green bars for the first year, one to three years, three to five years, and greater than five years.

GOAL #4 - MARKETING & PROMOTION	1	1-3	3-5	5+
<b>Objective A - Develop a brand for downtown and implements marketing campaigns.</b>				
Strategy 1 - Work with the City to incorporate its branding into the downtown marketing program.	█			
Strategy 2 - Coordinate marketing campaigns with downtown partners.	████████████████████			
Strategy 3 - Work with partners to develop a unified community event calendar to ensure that downtown events are promoted to as wide of an audience as possible.	██████████			
<b>Objective B - Engage in the legislative process at the local and state levels to bring about positive change and protect its interests.</b>				
Strategy 1 - Raise awareness of the Downtown High Point's importance and success among elected officials.		█		
Strategy 2 - Advocate for legislative initiatives that provide financial support, improve opportunities for downtown businesses, and support downtown development.		████████████████████		





# Organizational Recommendations

Forward High Point, Inc. is a 501(c)6 nonprofit organization, that was incorporated in 2016. It also has a supporting foundation, Forward High Point Foundation, a 501(c)3, charitable foundation. FHP has a 25-member Board of Directors, with a 9-Member Executive Committee. Eleven of the 25 Board Members are representatives of specific organizations, public bodies, or city staff. The additional members are selected at-large or as business/property owners (within the City). These members are elected for 3-year terms. FHP has a full-time paid President & CEO and three part-time positions that assist with administrative tasks, bookkeeping, office management, website management, and marketing.

As previously stated, FHP's original mission to develop the catalyst project has been accomplished. The organization is now in the process of transitioning into a more traditional downtown place management organization. Related to that transition, several overall organizational implications were identified regarding the structure of the Board of Directors, the name of the organization, staffing, and funding.

## Board of Directors Size and Composition

The current Board of Directors size and composition has been amended over the last six years to reflect the changes in focus as the Board set out to develop the catalyst project. Further change is recommended now that the organization is evolving into a more traditional downtown organization. One of the major changes needed in the structure of the Board is the move to a greater balance between public and private sector voices on the Board. The deal making and land acquisition focus of the organization led to a greater number of public sector members on the Board. As the organization moved out of that phase, it was expanded to include more traditional stakeholders like business and property owners. However, in that effort, the size of the Board has grown, making it a challenge to operate efficiently. A need exists to maintain a healthy balance of public and private interest while increasing efficiency through streamlining the Board membership.

After review of the current Board structure and size within the context of the organization's shift to a more traditional downtown / place management organization, it is recommended that the number of voting Board Members be reduced to eleven, with four additional ex-officio Board Members. The recommended composition of the Board will improve the balance between public and private sector influence on the Board.

### Recommended Voting Board Members

- City of High Point Elected Official
- City of High Point Staff Representative
- Guilford County Elected Official
- Property Owner (Large)
- Property Owner (Small)
- Business/Non-Profit Representative (Large)
- Business/Non-Profit Representative (Small)
- Downtown Resident
- Community Member – At Large
- Community Member – At Large
- Community Member – At Large

### Recommended Ex-Officio Board Members

- High Point Market Authority
- Visit High Point
- Business High Point
- High Point University

## **Human Resources**

The previous focus of the organization has enabled FHP to be sustained by a minimal amount of full-time staffing. The organization has been able to continue basic operations with one full-time employee and several part-time staff. As the mission of the organization is changing to a more traditional downtown organization, additional full-time staffing will be needed in the years ahead to effectively implement the Vision. In addition to the full-time President & CEO, the organization will need at least one additional full-time position during the first year of the Plan's implementation. Ideally, this new position would assist with planning, economic development, advocacy, business and community engagement, and marketing efforts. With the addition of another full-time staff position, the organization can more effectively and regularly communicate with stakeholders, partner entities, and others throughout the DCA, providing direct support to the President & CEO. In addition to the two full-time staff members, it is anticipated that continued part-time support will continue to be needed for bookkeeping and digital communication and marketing initiatives. As programming expands, the organization will need to evaluate requirements for additional staff as part of the budgetary planning process each fiscal year.

## **Organizational Identity**

Prior to beginning the strategic plan, the organization began to introduce the name "Downtown High Point" into conversations and marketing materials, anticipating an official name change at the conclusion of this process. While Forward High Point is recognized by residents in High Point, with over 70 percent of the survey respondents indicating they were familiar with FHP, the name does not capture the new mission of where the organization is headed. The name "Downtown High Point" will make the mission of the organization more clear to the community. .

## **Budget and Funding**

The FHP budget is primarily funded by a \$250,000 appropriation from the City of High Point and a \$40,000 appropriation from Guilford County. The organization does receive membership and corporate contributions, although, those sources do not provide a consistent revenue stream for budgeting purposes. Approximately 55% of the current FHP budget is allocated to staff expenses, almost 22% to office expenses, and just over 8% toward the funding of programs. This allows for close to 15% of the annual appropriation to be utilized for special projects and programming,

As the organization transitions into a more comprehensive downtown organization, additional funding and revenue will be needed to provide services and fund the envisioned programs and projects within the DCA. As shown on the opposite page, the organization will need additional funding from the City and County for those new programs and services to accomplish the mission, while utilizing some of the additional staff support to help raise additional funds through new memberships and donations. As the work program is expanded in years 2 through 5 and beyond, the organization's revenue will need to increase each year to continue implementing the strategies that are recommended during those later years of the strategic plan. The budget for programs, services, and projects will significantly increase in FY 28-29 when it is anticipated

that downtown ambassadors or similar contracted personnel may begin providing services. .

It must be noted that this is an example projection and budget to guide the overall budget and planning process for each fiscal year based on progress toward achieving the strategies of this Plan. As goals and priorities shift over time, so may the projected budget for each year. However, this potential budget provides a beginning point to prepare for funding those additional services over the next five years.

### **Income Comparison (FY 23-24 and FY 24-25)**

Income Category	Current	Recommended FY 24-25
<b>City Appropriation</b>	<b>\$250,000</b>	<b>\$300,000</b>
<b>County Appropriation</b>	<b>\$40,000</b>	<b>\$50,000</b>
<b>Donations</b>	<b>\$0.00</b>	<b>\$25,000</b>
<b>Memberships</b>	<b>\$0.00</b>	<b>\$25,000</b>
<b>Total Potential Revenue</b>	<b>\$290,000</b>	<b>\$400,000</b>

### **Anticipated Budget Needs (5 year Projection)**

Budget Category	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
<b>Office Operations and Administrative</b>	<b>\$65,000</b>	<b>\$65,000</b>	<b>\$70,000</b>	<b>\$70,000</b>	<b>\$70,000</b>
(Rent, Utilities, Equipment, Accounting, Legal, Taxes, Phone, Internet, etc.)					
<b>Staff Salary</b>	<b>\$210,000</b>	<b>\$220,000</b>	<b>\$230,000</b>	<b>\$240,000</b>	<b>\$250,000</b>
(Salary, payroll services and tax, 401k, insurance, contractors, etc.)					
<b>Programs, Services, and Projects</b>	<b>\$125,000</b>	<b>\$150,000</b>	<b>\$170,000</b>	<b>\$205,000</b>	<b>\$330,000</b>
(Placemaking, Business Success, Clean & Safe, Marketing)					
<b>TOTAL BUDGET</b>	<b>\$400,000</b>	<b>\$435,000</b>	<b>\$470,000</b>	<b>\$515,000</b>	<b>\$650,000</b>

# Municipal Service District Funding Potential

As part of the process, FHP reviewed the potential for implementing one or more municipal service districts (MSD) within the DCA to help fund needs and services identified by stakeholders. In North Carolina and across the country, communities working to improve destinations and places, like downtown High Point, have created MSDs to help achieve their vision and reach their goals. In other states, these special districts are often called Business Improvement Districts (BID). The creation of an MSD is one way to generate consistent funding for additional services that are needed in the district to a greater extent than they are provided on a city-wide basis. The MSD establishes a reliable, coordinated, and well-managed approach to funding and implementing district wide projects and services that benefit and enhance the entire district. An MSD boundary is established to designate the district where an additional tax is applied to real and personal property to generate needed revenue for the identified services and projects within the MSD boundary only. The City of High Point currently has four such districts in the downtown area; however, a tax has never been levied within any of the districts.

## MSD Facts and Figures

- North Carolina has over 60 similar municipal service districts in large and small cities across the state.
  - Raleigh (2), Greensboro (3), Charlotte (6), Durham, Winston-Salem, Mount Airy, New Bern, Salisbury, Lexington, Asheboro, Shelby, and Smithfield to highlight a few.
  - The statewide average MSD rate is \$0.128 per \$100 in valuation (Rates range from \$0.01 to \$0.27)
- Over 1,200 BIDs in the U.S. that include a broad range of organizations like an MSD in North Carolina.
  - Also, many cities in the U.S. have multiple business improvement districts including; Austin (3), San Diego (18), Sacramento (11), Seattle (10), D.C. (11), Boston (8), Philadelphia (14), and New York (76).

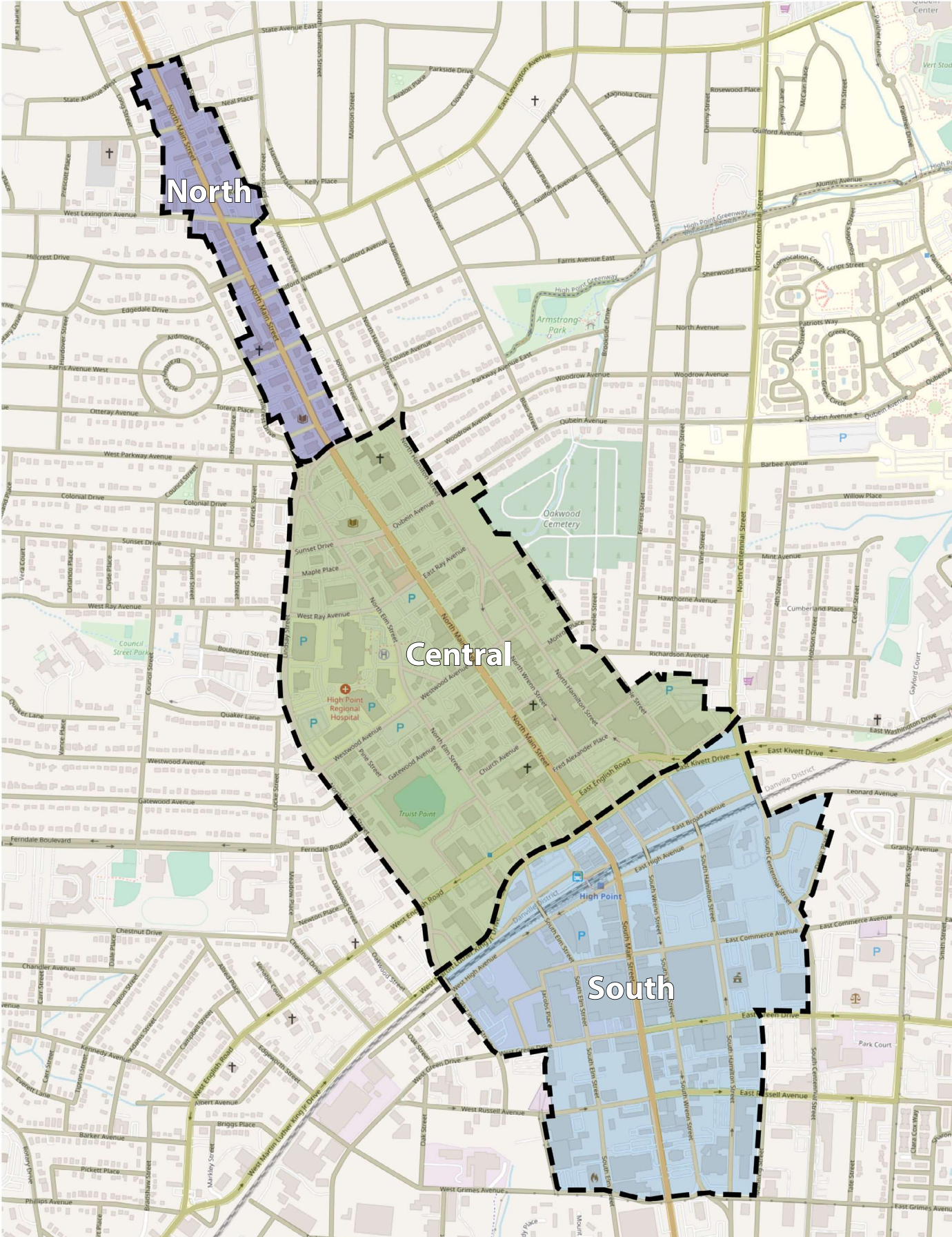
## Conceptual MSD Boundaries

During the planning process FHP reviewed several boundaries for potential MSDs within downtown. The first series of potential boundaries included a North, Central, and South boundary as identified on the next page. Each boundary included an evaluation of the taxable value and the potential revenue that could be generated per \$100 of assessed property value subject to taxation. The cities of Winston-Salem and Greensboro currently have downtown MSD tax rates of \$0.09 and \$0.08 respectively. If the City of High Point adopted a similar MSD rate of \$0.08, the property in the North, Central, and South areas could potentially generate the revenue for services and projects identified below.

Potential MSD Areas	Taxable Value	Example MSD Tax Rate	Potential Revenue Generated (per \$100 of assessed value)
<b>North</b>	<b>\$45,139,197</b>	<b>\$0.08</b>	<b>\$36,111</b>
<b>Central</b>	<b>\$253,883,294</b>	<b>\$0.08</b>	<b>\$203,107</b>
<b>South</b>	<b>\$616,445,905</b>	<b>\$0.08</b>	<b>\$493,157</b>
<b>Combined Totals</b>	<b>\$915,468,396</b>		<b>\$732,375</b>



# Conceptual MSD Boundaries



## **Refined MSD Boundary**

After reviewing the potential MSD boundaries, the Board focused its attention on a more focused and refined MSD boundary. A number of concerns were raised regarding the potential conflict with furniture showrooms, a large number of which are located in the conceptual South and Central MSD boundaries, as they are subject to a special privilege license tax that is used to fund the High Point Market Authority. The addition of an MSD tax on top of that existing special tax was viewed as a significant barrier for the creation of an MSD in those portions of downtown that contain showrooms. .

The Board felt a potential district that focused on areas outside of the conceptual South MSD would have a greater chance of being implemented. The map on the following page displays a potential configuration of that refined Municipal Service District in Downtown High Point that primarily combines portions of the North and Central boundaries and a small portion of the area identified in the South MSD area. The refined MSD boundary is generally bounded by State Avenue to the north, Commerce Avenue (and the railroad) to the south, Wrenn Street and a portion of Hamilton Street to the east, and Lindsay Street and a portion of Hillcrest Drive to the west. Some of the major destinations within this boundary include the hospital, library, Truist Point, the Nido & Marianna Quebein Children's Museum, City Hall, civic and institutional uses, retail and restaurant uses, and office uses. While, the larger Downtown Coordination Area extends beyond the refined MSD boundary, revenue generated in the identified boundary could only be expended within the MSD boundary. Other revenues would still be needed to fund the overall mission of FHP within the Downtown Coordination Area.

The refined MSD boundary has an assessed taxable value of \$129,151,100. As noted in the previous section, the cities of Winston-Salem and Greensboro currently have downtown MSD tax rates of \$0.09 and \$0.08 respectively. If the City of High Point adopted a similar MSD rate of \$0.08, the property within the refined MSD boundary would generate just over \$100,000 in revenue to help provide the identified services within the district. At this time, the potential tax generation of this refined MSD boundary may not be great enough to warrant the formation of an MSD to support FHP's operations in this part of downtown..



# Refined MSD Boundary



## **Next Steps**

Over the remainder of this fiscal year, Forward High Point will begin to implement the Strategic Plan recommendations. While all of the objectives and strategies are important to implement, the timing of moving forward with each one is dependent on a range of factors that include political, financial, and organizational capacity to achieve. A list of key next steps is identified below.

### **1. Implement the Organizational Recommendations**

It is important to initiate the changes to the structure and composition of the Board as soon as possible. A number of procedural actions, such as changes to the bylaws and appointments to the restructured Board will need to take place to facilitate the changes. Initiating the changes more quickly will allow ample time for the organization to prepare for programming and budgeting for the first full fiscal year of operation under the Strategic Plan in FY 24-25. It will be important for the new Board members to be well-prepared to advocate for the needs of the organization and the downtown stakeholders it represents. Along with this change to the Board structure and composition, the name of the organization should be officially renamed as "Downtown High Point." A marketing plan should be put into place to announce the name change, vision, and mission of the Board as it makes this shift. This will be a great opportunity to raise awareness about the new vision and name, while recognizing the past success of Forward High Point, the many accomplishments of the organization, and the vision for the future of Downtown High Point,

### **2. Budgeting and Funding for Implementation**

Concurrent with the actions to complete the organizational recommendations, work should begin on developing a detailed budget and program needs for FY 24-25. The new mission, objectives, and strategies will require additional resources to implement. As the new Board is appointed, a significant amount of the ground work on a budget and program of work can be underway to facilitate discussion with the new Board. Downtown High Point will also need to begin identifying potential sources of supplementary funding to meet its fiscal requirements as it moves forward with implementation. .

### **3. Implement Priority Recommendations**

Most of the year-one strategies for the Strategic Plan are focused on utilizing existing staff resources and capacities to kick-start the implementation of the Plan. It will be important to begin as many of those strategies as the organization's resources allow. Attention should be focused on current day-to-day activities to maintain existing organizational commitments: with most of the Strategic Plan implementation activities focused on the Board restructuring and preparing for the FY 24-25 work program. Making significant progress on year-one strategies will help ensure stakeholder engagement remains a priority.



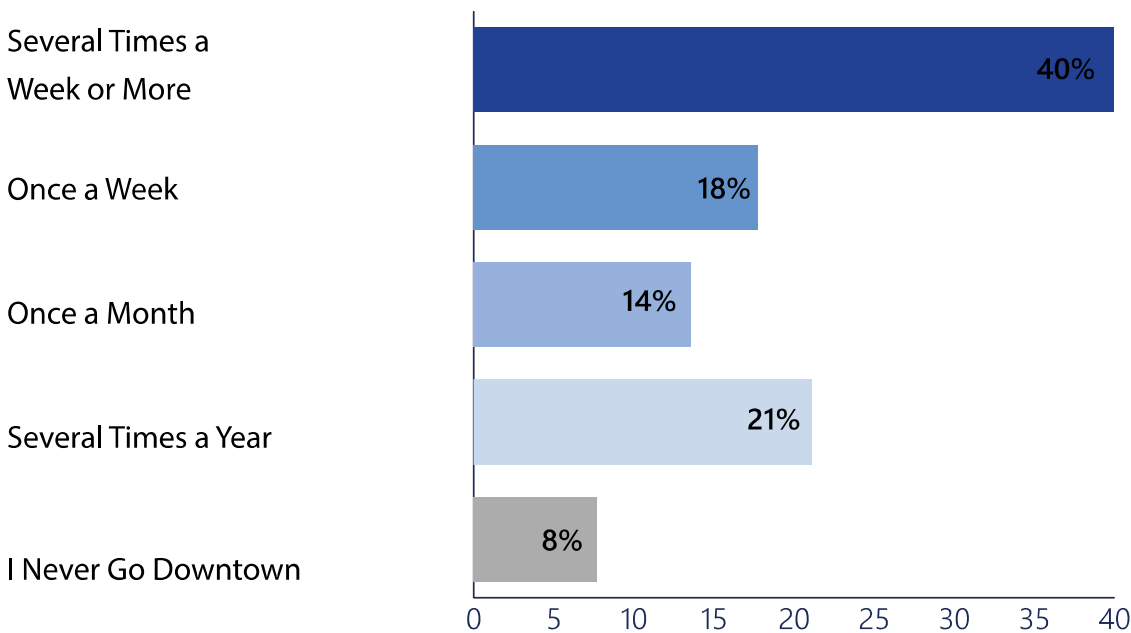
# **APPENDIX A**

## **Community Survey Results**

An online community survey was open to the public throughout the month of November 2022. The survey included a range of questions about respondents' thoughts on Downtown High Point and what they liked and disliked. In total, 546 people participated in the online survey. The results are displayed on the following pages.

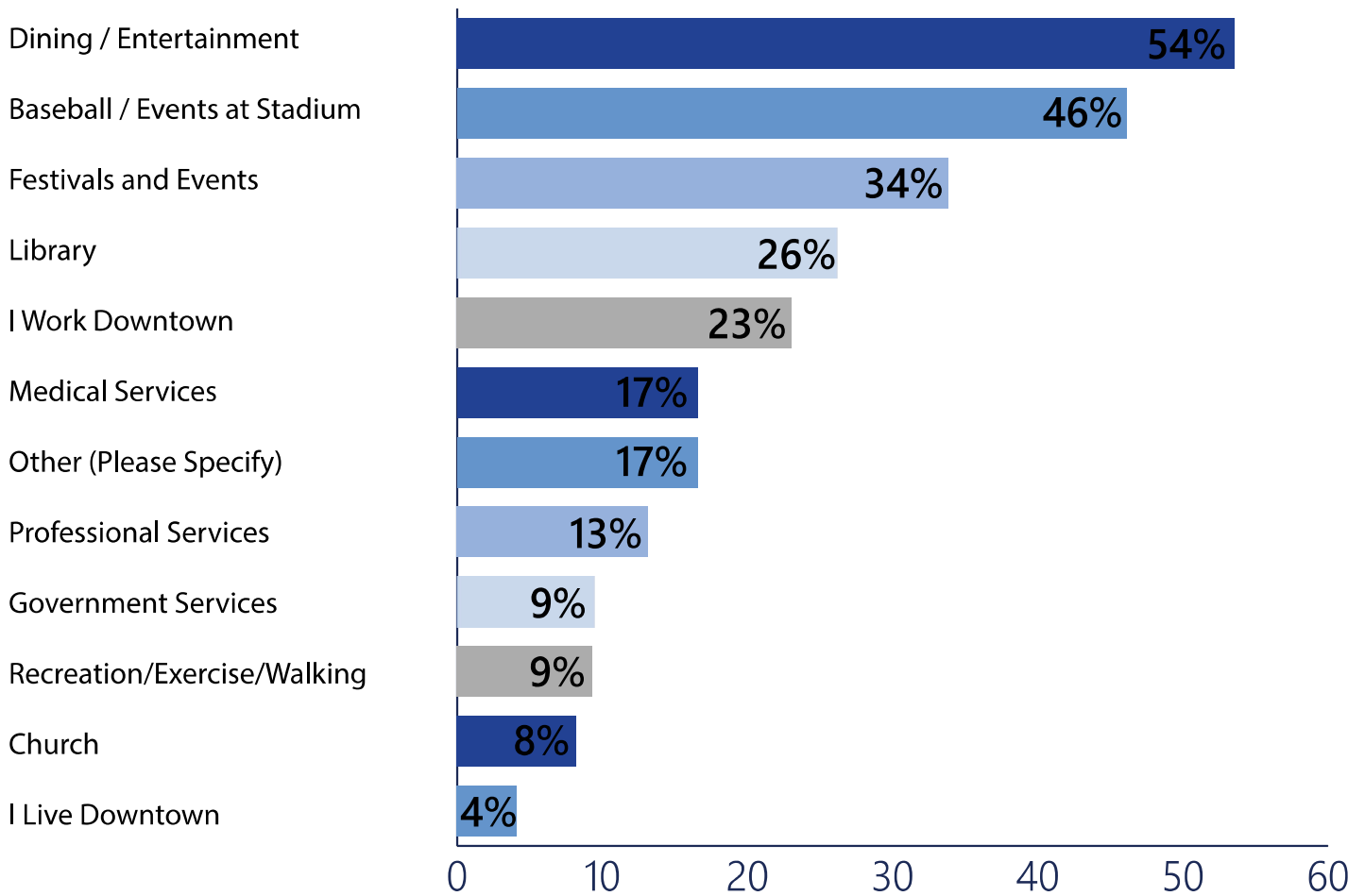
### Question 1: How often do you visit Downtown?

Approximately 40% of those who took the community survey visit Downtown High Point several times a week or more. About 18% visit once per week, while 14% visit once per month and 21% visit several times per year. About 8% of those who participated in the survey never go to Downtown High Point.



### Question 2: What are your primary reasons for visiting downtown?

Survey respondents were asked to select their primary reasons for visiting downtown. This was a “check box” question, meaning that respondents could select as many responses as they’d like. The most common reasons people visit downtown include dining / entertainment, baseball / events at Truist Point Stadium, festivals and events, and the library. Almost 90 respondents selected “other” and their top responses include the furniture market / showrooms, “there is no reason to go,” shopping, visiting the food hall / coffee shop / restaurants / bars, theater, and community-type meetings.



### Question 3: What are your primary reasons for visiting downtown?

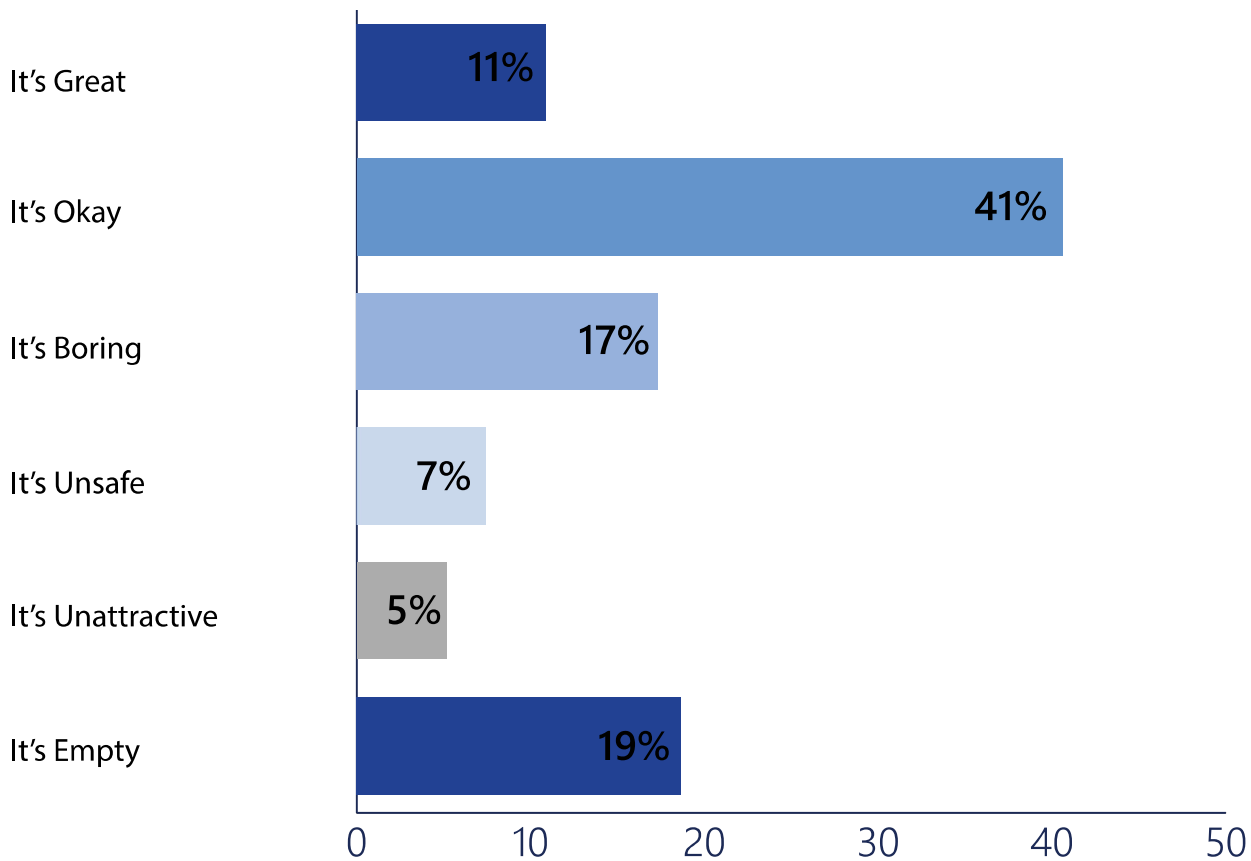
The table above lists the top written responses (stated by at least 5% of respondents) on what would make survey respondents visit Downtown High Point more often. By far, the greatest request was to open more restaurants, shops, and businesses. Additional comments received by at least ten respondents include a desire for more art / theater / cultural events, interest in live music and outdoor concerts, requests to open showrooms to the public or activate windows, and interest in outdoor dining.

% OF RESPONSES	WHAT WOULD MAKE THEM VISIT
64.0%	More / Improved Restaurants, Shops, and Businesses
18.5%	More Things To Do / Varied Entertainment
15.9%	More Family Friendly Events
11.9%	Night Life / Bars / Breweries
11.4%	More Walkable Main Street with a Range of Improvements
6.7%	Improved / More Parking Options
6.5%	Improved Sense of Safety
5.4%	Green Spaces / Parks / Recreation

464 survey respondents submitted responses to this question. The table below provides a summary of their comments (shown as percent of total responses).

#### Question 4: How often do you visit Downtown?

When asked about their perceptions of downtown, more than 40% of respondents selected “it’s okay.” About 11% think Downtown High Point is great, while 17% find it boring, 7% think it’s unsafe, 5% think it’s unattractive, and 19% think it’s empty. Respondents were able to submit comments related to their response and 336 did so. The most frequently repeated comments included almost 100 people describing the downtown area as “empty” and “inactive outside of market,” and more than 90 respondents stating that they love the changes occurring but the progress needs to continue. Specific (frequent) requests include the growth of dining and entertainment options, improving appearances, improving safety, and enhancing the bicycle and pedestrian experiences.



#### Question 5: What is your favorite thing about downtown?

Survey respondents were asked to describe their favorite thing about downtown in an open-ended question. All responses were summarized and those listed by at least 5% of respondents are shown in the chart above. The most favored elements of Downtown High Point were widely the new stadium; the bars, restaurants, and breweries; all the new development; and the new food hall. There were a number of additional responses submitted by thirteen or fewer people.

% OF RESPONSES	FAVORITE THING ABOUT DOWNTOWN
32.2%	Truist Point Ball Park and Everything Around It
15.3%	Bars, Restaurants, and Breweries
11.0%	All the New Development / Advancements
9.0%	Stock and Grain Food Hall
7.4%	The Library
6.8%	Architecture and Buildings
6.3%	Congdon Yards
5.0%	Small Shops and Businesses

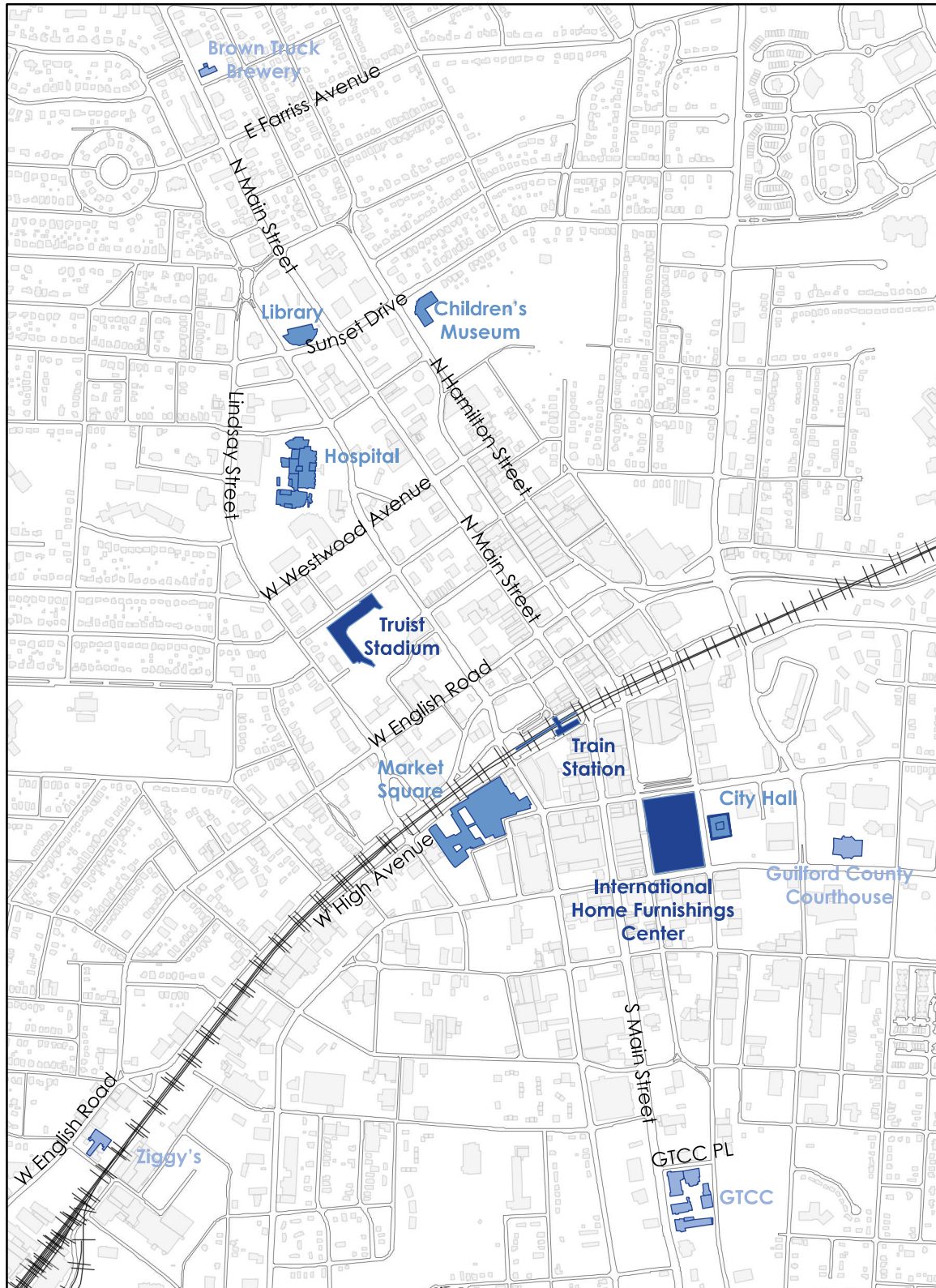
**Question 6: Tell us your least favorite thing about downtown?**

The chart above details the most commonly repeated elements which are survey respondents' least favorite things about Downtown High Point. As can be seen, a number of these elements are inter-related (such as a lack of activity and a poor perception of safety). A large range of additional concerns were presented by fewer than twenty respondents, and many of these were also related (lack of connectivity, lack of parks and green spaces, etc.).

% OF RESPONSES	LEAST FAVORITE THING ABOUT DOWNTOWN
30.6%	Abandoned / Empty Feeling - Lack of Activity
17.1%	Too Many Showrooms / Lack of Activation of Showrooms
14.6%	Crime / Unsafe Feeling or Perception
11.9%	Not Walkable (design, traffic speeds, number of lanes, etc.)
9.7%	Not Enough Restaurants
8.1%	Appearance (old, dirty, poor lighting, landscaping, etc.)
7.9%	Lack of (Convenient) Parking
7.4%	Need More Shops and Businesses

*445 survey respondents submitted responses to this question. The table below provides a summary of their comments (shown as percent of total responses).*

**Question 7: Please check any of the following that you consider to be in downtown.**



The following list identifies the percent of respondents that feel each location is within downtown:

38% - Brown Truck Brewery

62% - Library

54% - Children's Museum

62% - Hospital

86% - Truist Stadium

84% - Train Station

59% - Market Square

75% - International Home Furnishings Center

54% - City Hall

45% - Guilford County Courthouse

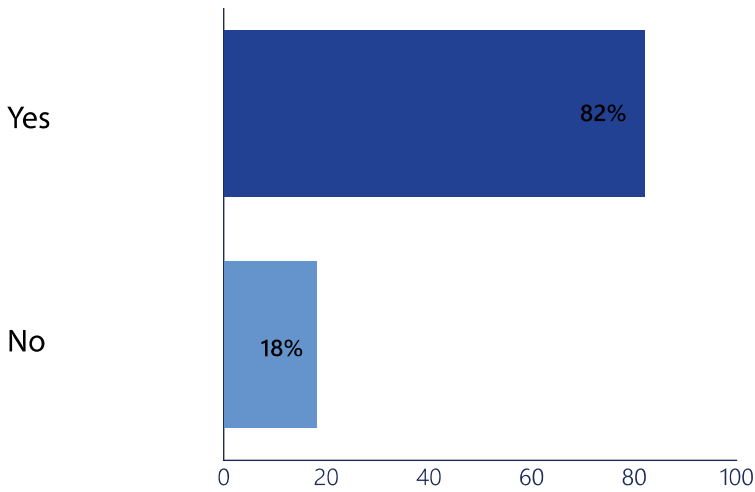
27% - Ziggy's

21% - GTCC

*On the map, locations identified as in downtown by more than two-thirds of respondents are in dark blue; locations identified as in downtown by more than half of respondents are in medium blue, and less common locations are in light blue.*

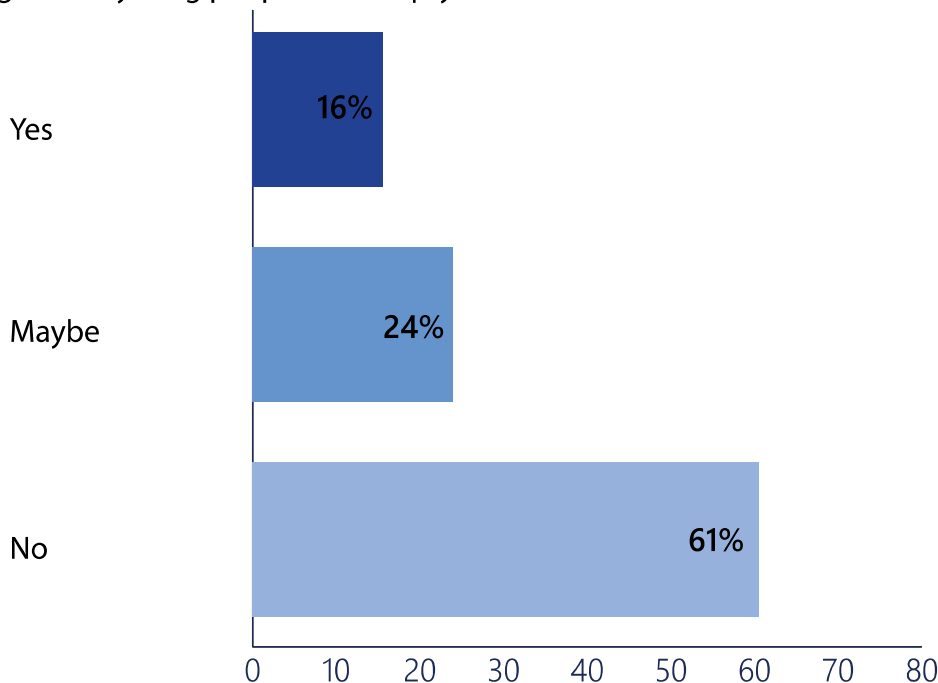
### Question 8: Have you ever visited Truist Point Stadium?

The majority (82%) of those who took the community survey have visited Truist Point Stadium.



### Question 9: Would you consider living in Downtown High Point in the future?

More than 60% of those who took the community survey would not consider living in Downtown High Point in the future, even if new apartments or condominiums were built. About one quarter of respondents might consider living downtown in the future, and about 16% would definitely consider living downtown in the future. Almost 400 respondents submitted comments related to this question and the most frequently repeated comments included that people already own homes they are happy with; it would depend on a number of improvements to downtown (shops, restaurants, aesthetics, activity, walkability, etc.); people prefer larger homes with yards; people like the idea of living downtown because of the ability to walk to work and entertainment; concerns around the cost of living; and that it does not fit all lifestyles but would be great for young people and empty nesters.





### Question 10: What would you like to see change in downtown in the next few years?

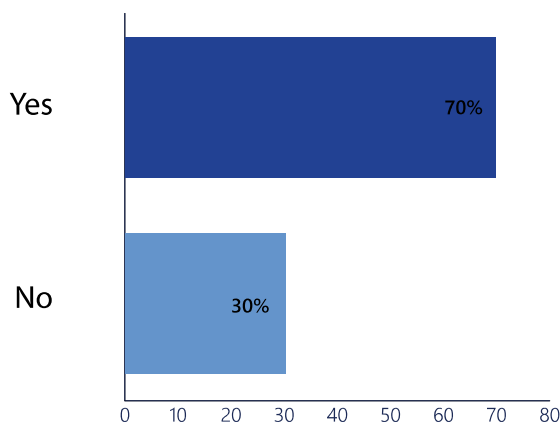
The chart above lists a generalized version of all requested changes that at least 5% of those who responded to this question would like to see in the next few years. Generally speaking, the majority of requested changes include developing additional attractions and improving a range of elements within Downtown. Many of these responses expand on the previously mentioned things which people either like or do not like about Downtown High Point.

% OF RESPONSES	REQUESTED CHANGES
33.8%	More Restaurants and Bars
33.6%	More Entertainment
31.2%	More Stores / Small Businesses
12.1%	Better Pedestrian and Bicycle Environment
10.3%	Parks / Recreation / Green Spaces
8.2%	Improve Appearance / Clean It Up
7.7%	Residences
7.7%	Enhance Security / Improve Safety
6.5%	Continue Growing
5.4%	Improve Parking Situation

429 survey respondents submitted responses to this question. The table below provides a summary of their comments (shown as percent of total responses).

### Question 11: Were you familiar with Forward High Point before you took this survey?

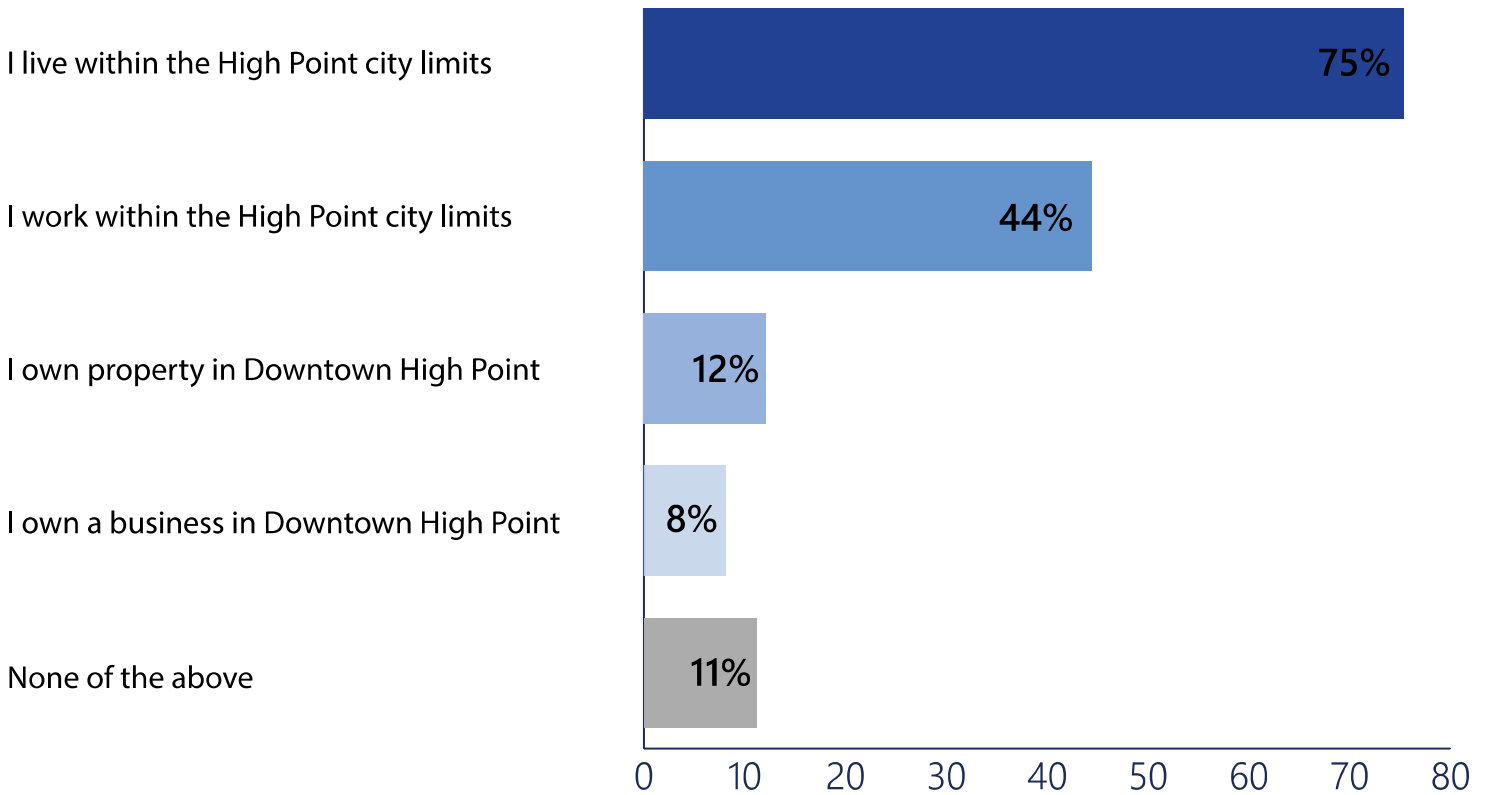
Most (70%) of those who took the community survey were familiar with Forward High Point prior to participating in the community survey. Almost one-third were unfamiliar with Forward High Point.





**Question 12: Please check all that apply.**

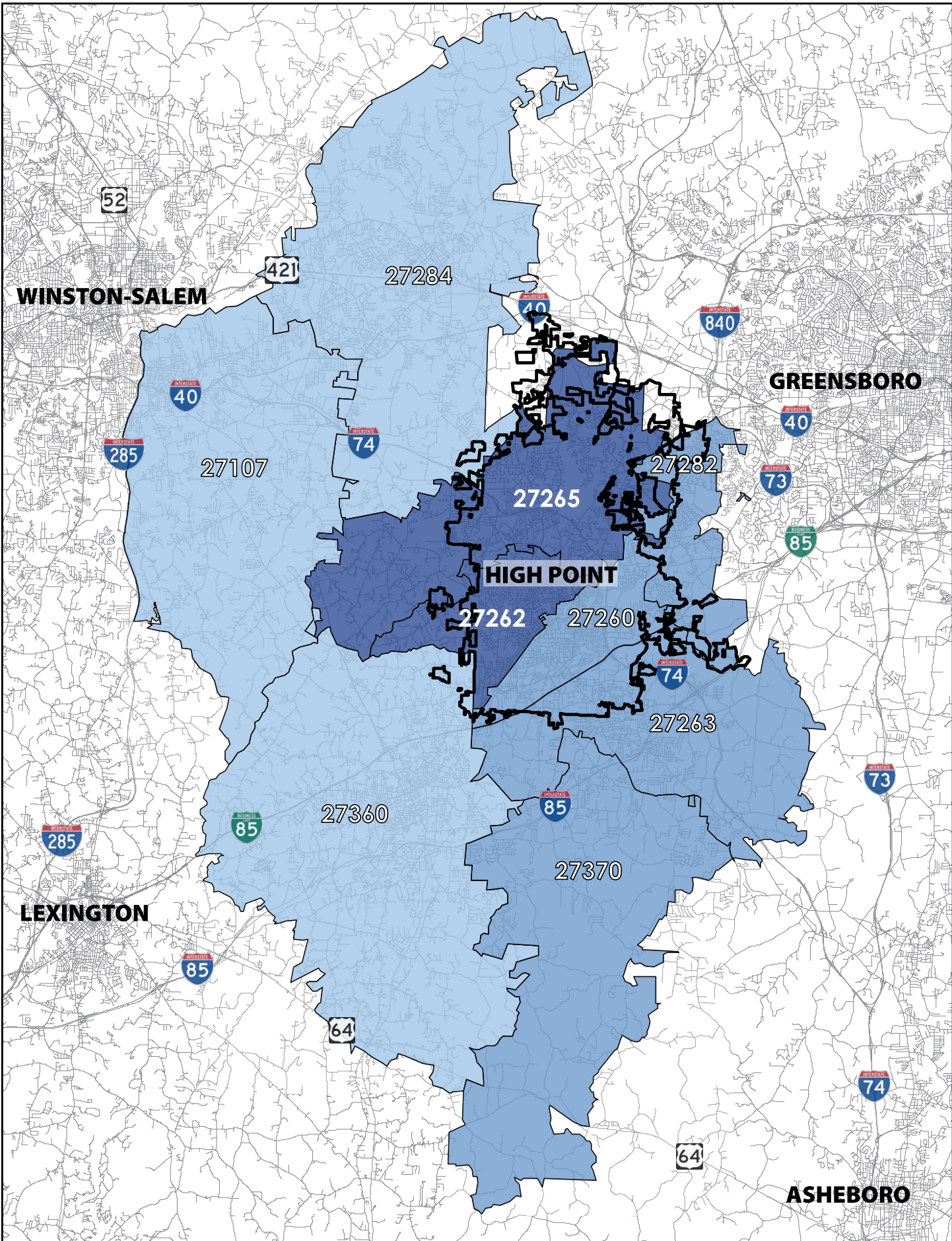
Three-fourths of survey respondents live in the City of High Point, but only about 12% own a property in Downtown High Point. Almost half of respondents work in the City, and about 8% own a business in Downtown High Point. About 11% of respondents do not live, work, or own property in High Point. Most of these people identify as living nearby High Point and either owning property, owning a business, working, or spending a lot of time in the City of High Point.



**Question 13: Please tell us if any of the following apply to you.**

There were 49 unique residential zip codes shared as home locations of survey respondents. Though the responses came from places all over the country, the vast majority were from within North Carolina, and particularly within the region. The most frequent zip codes are shown on the table above, and on the map on the previous page.

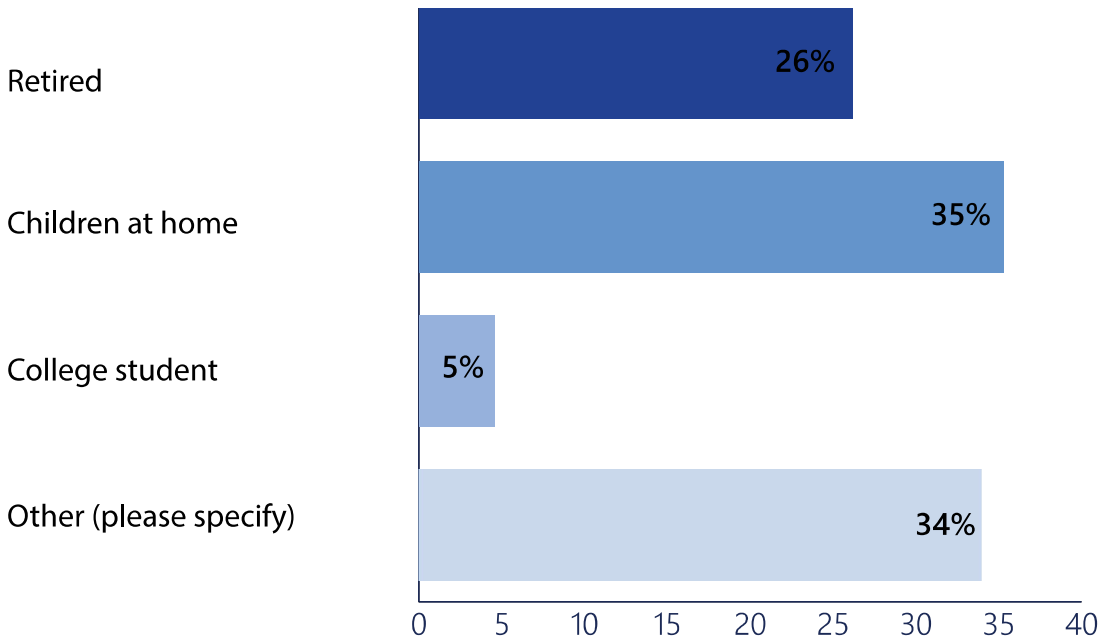
The two zip codes in dark blue were cited by approximately 200 respondents each. The zip codes in medium blue were cited by between 14 and 23 respondents each. The zip codes in light blue were cited by 5 or more respondents.



Map of Respondents' Home Zip Codes (LEGEND?)

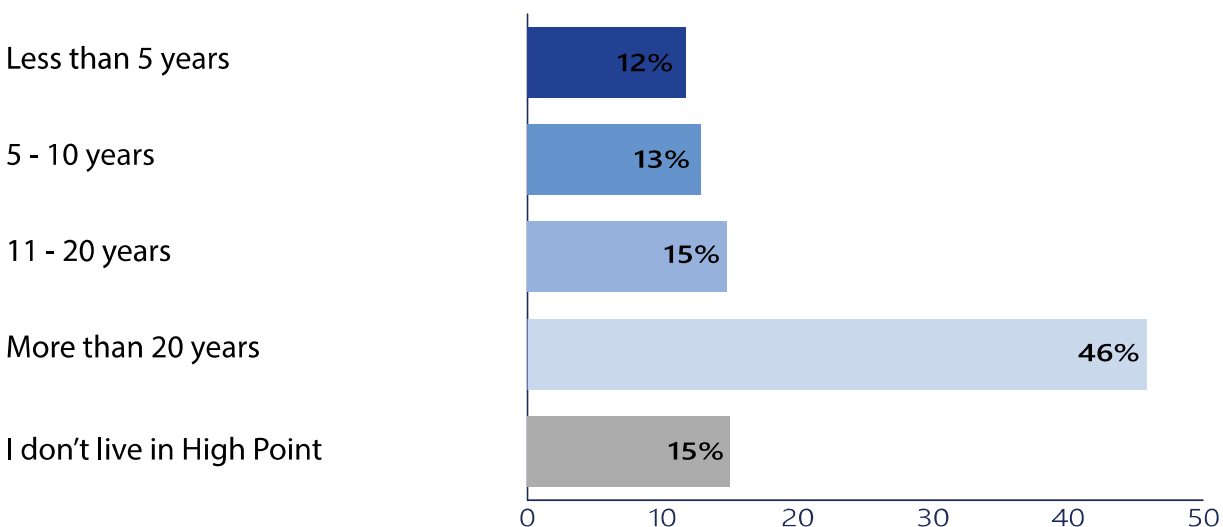
### Question 14: Please check all that apply.

More than one-third of survey respondents have children at home or identify as “other.” Just over one-quarter of respondents are retired and only 5% of respondents are college students. People who selected “other” explained that they are largely still in the labor force (90 responses), empty nesters (29 responses), business owners (13 responses), semi-retired or near retirement (13 responses), or single (10 responses). Additional responses included clarifications of age, profession, and status of children.



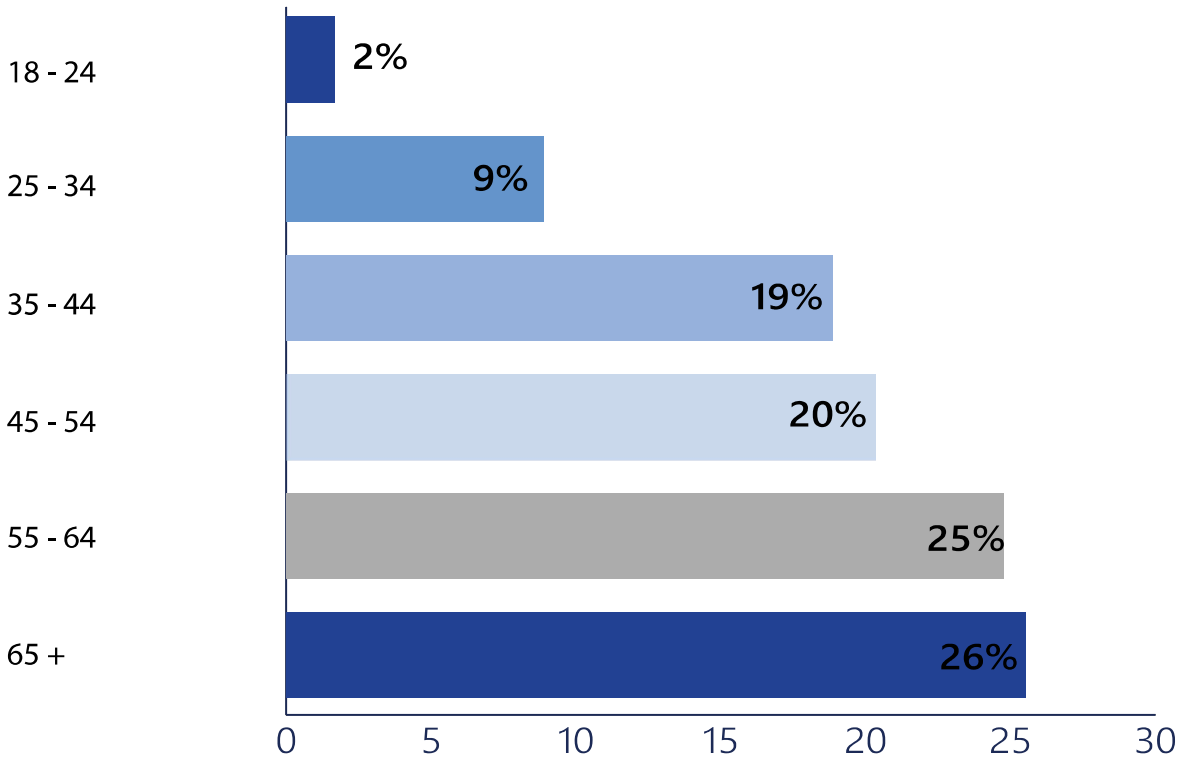
### Question 15: Please check all that apply.

Almost half of those who took the survey have lived in High Point for more than 20 years. Between 12% and 15% of respondents have lived here either less than 5 years, 5 - 10 years, or 11-20 years. About 15% of survey respondents do not live in the City of High Point.



### Question 16: Please indicated your age.

More than half of those who participated in the community survey were 55 years old or older. Generally speaking, the older age cohorts were more represented than the younger, with just 2% of respondents falling in the 18 to 24 year old age cohort and just 9% falling in the 25 to 34 year old age cohort.



# **APPENDIX B**

## **N.C.G.S. 160A Article 23 Municipal Service Districts**



Article 23.

Municipal Service Districts.

**§ 160A-535. Title; effective date.**

This Article may be cited as "The Municipal Service District Act of 1973," and is enacted pursuant to Article V, Sec. 2(4) of the Constitution of North Carolina, effective July 1, 1973. (1973, c. 655, s. 1.)

**§ 160A-536. Purposes for which districts may be established.**

(a) Purposes. – The city council of any city may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities, or functions in addition to or to a greater extent than those financed, provided or maintained for the entire city:

- (1) Beach erosion control and flood and hurricane protection works.
- (1a) **(For applicability see note)** Any service, facility, or function which the municipality may by law provide in the city, and including but not limited to placement of utility wiring underground, placement of period street lighting, placement of specially designed street signs and street furniture, landscaping, specialized street and sidewalk paving, and other appropriate improvements to the rights-of-way that generally preserve the character of an historic district; provided that this subdivision only applies to a service district which, at the time of its creation, had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter.
- (2) Downtown revitalization projects.
- (2a) Urban area revitalization projects.
- (2b) Transit-oriented development projects.
- (3) Drainage projects.
- (3a) Sewage collection and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.
- (3b) **(For applicability see note)** Lighting at interstate highway interchange ramps.
- (4) Off-street parking facilities.
- (5) Watershed improvement projects, including but not limited to watershed improvement projects as defined in General Statutes Chapter 139; drainage projects, including but not limited to the drainage projects provided for by General Statutes Chapter 156; and water resources development projects, including but not limited to the federal water resources development projects provided for by General Statutes Chapter 143, Article 21.
- (6) Conversion of private residential streets to public streets as provided in subsection (e) of this section.

(b) Downtown Revitalization Defined. – As used in this section "downtown revitalization projects" are improvements, services, functions, promotions, and developmental activities intended to further the public health, safety, welfare, convenience, and economic well-being of the central city or downtown area. Exercise of the authority granted by this Article to undertake downtown revitalization projects financed by a service district do not prejudice a city's authority to undertake urban renewal projects in the same area. Examples of downtown revitalization projects include by way of illustration but not limitation all of the following:

- (1) Improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements.
- (2) Construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street.
- (3) Construction of public buildings, restrooms, docks, visitor centers, and tourism facilities.
- (4) Improvements to relieve traffic congestion in the central city and improve pedestrian and vehicular access to it.
- (5) Improvements to reduce the incidence of crime in the central city.
- (6) Providing city services or functions in addition to or to a greater extent than those provided or maintained for the entire city.
- (7) Sponsoring festivals and markets in the downtown area, promoting business investment in the downtown area, helping to coordinate public and private actions in the downtown area, and developing and issuing publications on the downtown area.

(c) **Urban Area Revitalization Defined.** – As used in this section, the term "urban area revitalization projects" includes the provision within an urban area of any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section. As used in this section, the term "urban area" means an area that (i) is located within a city and (ii) meets one or more of the following conditions:

- (1) It is the central business district of the city.
- (2) It consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.
- (3) It is located in or along a major transportation corridor and does not include any residential parcels that are not, at their closest point, within 150 feet of the major transportation corridor right-of-way or any nonresidentially zoned parcels that are not, at their closest point, within 1,500 feet of the major transportation corridor right-of-way.
- (4) It has as its center and focus a major concentration of public or institutional uses, such as airports, seaports, colleges or universities, hospitals and health care facilities, or governmental facilities.

(c1) **Transit-Oriented Development Defined.** – As used in this section, the term "transit-oriented development" includes the provision within a public transit area of any service or facility listed in this subsection. A public transit area is an area within a one-fourth mile radius of any passenger stop or station located on a mass transit line. A mass transit line is a rail line along which a public transportation service operates or a busway or guideway dedicated to public transportation service. A busway is not a mass transit line if a majority of its length is also generally open to passenger cars and other private vehicles more than two days a week.

The following services and facilities are included in the definition of "transit-oriented development" if they are provided within a transit area:

- (1) Any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section.
- (2) Passenger stops and stations on a mass transit line.

- (3) Parking facilities and structures associated with passenger stops and stations on a mass transit line.
- (4) Any other service or facility, whether public or public-private, that the city may by law provide or participate in within the city, including retail, residential, and commercial facilities.

(d) **Contracts.** – A city may provide services, facilities, functions, or promotional and developmental activities in a service district with its own forces, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. Any contracts entered into pursuant to this subsection shall comply with all of the following criteria:

- (1) The contract shall specify the purposes for which city moneys are to be used for that service district.
- (2) The contract shall require an appropriate accounting for those moneys at the end of each fiscal year or other appropriate period. For contracts entered into on or after June 1, 2016, the appropriate accounting shall include the name, location, purpose, and amount paid to any person or persons with whom the private agency contracted to perform or complete any purpose for which the city moneys were used for that service district.

(d1) **Additional Requirements for Certain Contracts.** – In addition to the requirements of subsection (d) of this section, if the city enters into a contract with a private agency for a service district under subdivision (a)(1a), (2), or (2a) of this section, the city shall comply with all of the following:

- (1) The city shall solicit input from the residents and property owners as to the needs of the service district prior to entering into the contract.
- (2) Prior to entering into, or the renewal of, any contract under this section, the city shall use a bid process to determine which private agency is best suited to achieve the needs of the service district. The city shall determine criteria for selection of the private agency and shall select a private agency in accordance with those criteria. If the city determines that a multiyear contract with a private agency is in the best interest of the city and the service district, the city may enter into a multiyear contract not to exceed five years in length.
- (3) The city shall hold a public hearing prior to entering into the contract, which shall be noticed by publication in a newspaper of general circulation, for at least two successive weeks prior to the public hearing, in the service district.
- (4) The city shall require the private agency to report annually to the city, by presentation in a city council meeting and in written report, regarding the needs of the service district, completed projects, and pending projects. Prior to the annual report, the private agency shall seek input of the property owners and residents of the service district regarding needs for the upcoming year.
- (5) The contract shall specify the scope of services to be provided by the private agency. Any changes to the scope of services shall be approved by the city council.

(e) **Converting Private Residential Streets to Public Streets.** – A city may establish a municipal service district for the purpose of converting private residential streets to public streets if the conditions of this subsection are met. The property tax levied in a municipal service district created for this purpose may be used only to pay the costs related to the transfer of ownership of

the streets, evaluation of the condition of the private streets, and the design and construction costs related to improving the private streets to meet public street standards as approved by the governing board. Notwithstanding G.S. 160A-542, the property tax rate in a district created for this purpose may not be in excess of thirty percent (30%) of the ad valorem tax rate in effect in the city in the fiscal year prior to the establishment of the district. After the private streets have been upgraded to meet public street standards and all costs have been recovered from the tax in the district, no further tax may be levied in the district, and the city council must abolish the municipal service district as provided by G.S. 160A-541.

Notwithstanding G.S. 160A-299, if a city abandons the streets and associated rights-of-way acquired pursuant to this subsection, the street-related common elements must be returned to the owners' association from which the city acquired them in a manner that makes the owners' association's holdings in common elements as they were prior to the establishment of the municipal service district.

For a city to create a municipal service district for the purpose of converting private residential streets to public streets, all of the following conditions must be met:

- (1) The private residential road must be nongated.
- (2) The city must receive a petition signed by at least sixty percent (60%) of the lot owners of the owners' association requesting the city to establish a municipal service district for the purpose of paying the costs related to converting private residential streets to public streets. The executive board of an owners' association for which the city has received a petition under this subsection may transfer street-related common elements to the city, notwithstanding the provisions of either the North Carolina Planned Community Act in Chapter 47F of the General Statutes or the North Carolina Condominium Act in Chapter 47C of the General Statutes, or related articles of declaration, deed covenants, or any other similar document recorded with the Register of Deeds.
- (3) The city must agree to accept the converted streets for perpetual public maintenance.
- (4) The city must meet one of the following requirements:
  - a. Located primarily in a county that has a population of 750,000 or more according to the most recent decennial federal census, and also located in an adjacent county with a population of 250,000 or more according to the most recent decennial federal census.
  - b. Located primarily in a county with a population of 250,000 or more according to the most recent decennial federal census, and also located in an adjacent county with a population of 750,000 or more according to the most recent decennial federal census. (1973, c. 655, s. 1; 1977, c. 775, ss. 1, 2; 1979, c. 595, s. 2; 1985, c. 580; 1987, c. 621, s. 1; 1999-224, s. 1; 1999-388, s. 1; 2004-151, s. 1; 2004-203, s. 5(m); 2009-385, s. 1; 2011-72, ss. 1, 2; 2011-322, s. 1; 2012-79, s. 1.11; 2015-241, s. 15.16B(a); 2016-8, s. 1; 2017-102, s. 31.1.)

**§ 160A-537. Definition of service districts.**

(a) Standards. – The city council of any city may by ordinance define a service district upon finding that a proposed district is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city.

(a1) **Petition to Define District.** – The city council may also by ordinance define a service district if a petition submitted by a majority of the owners of real property in a defined area of the city establishes that the area is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city. The petition shall contain the names, addresses, and signatures of the real property owners within the proposed district, describe the proposed district boundaries, and state in detail the services, facilities, or functions listed in G.S. 160A-536 which would serve as the basis for establishing the proposed district. The city council may establish a policy to hear all petitions submitted under this subsection at regular intervals, but no less than once per year.

(b) **Report.** – Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

- (1) A map of the proposed district, showing its proposed boundaries;
- (2) A statement showing that the proposed district meets the standards set out in subsection (a); and
- (3) A plan for providing in the district one or more of the services listed in G.S. 160A-536.

The report shall be available for public inspection in the office of the city clerk for at least four weeks before the date of the public hearing.

(c) **Hearing and Notice.** – The city council shall hold a public hearing before adopting any ordinance defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(c1) **Exclusion From District.** – An owner of a tract or parcel of land located within the proposed district may, at the public hearing or no later than five days after the date of the public hearing required by subsection (c) of this section, submit a written request to the city council for the exclusion of the tract or parcel from the proposed district. The owner shall specify the tract or parcel, state with particularity the reasons why the tract or parcel is not in need of the services, facilities, or functions of the proposed district to a demonstrably greater extent than the remainder of the city, and provide any other additional information the owner deems relevant. If the city council finds that the tract or parcel is not in need of the services, facilities, or functions of the proposed district to a demonstrably greater extent than the remainder of the city, the city council may exclude the tract or parcel from the proposed district.

(d) **Effective Date.** – Except as otherwise provided in this subsection, the ordinance defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the city council. If the governing body in the ordinance states that general obligation bonds or special obligation bonds are anticipated to be authorized for the project, it may make the ordinance effective immediately upon its adoption or as otherwise provided in the ordinance. However, no ad valorem tax may be levied for a partial fiscal year.

(e) **Repealed by Session Laws 2016-8, s. 2, effective June 1, 2016.**



(f) Passage of Ordinance. – No ordinance defining a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service district shall be defined except by ordinance. (1973, c. 655, s. 1; 1981, c. 53, s. 1; c. 733, s. 1; 2006-162, s. 25; 2012-156, s. 4; 2016-8, s. 2.)

**§ 160A-538. Extension of service districts.**

(a) Standards. – The city council may by ordinance annex territory to any service district upon finding that:

(1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district;

(2) That the area to be annexed requires the services of the district.

(b) Annexation by Petition. – The city council may also by ordinance extend by annexation the boundaries of any service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the council for annexation to the service district.

(c) Report. – Before the public hearing required by subsection (d), the council shall cause to be prepared a report containing:

(1) A map of the service district and the adjacent territory, showing the present and proposed boundaries of the district;

(2) A statement showing that the area to be annexed meets the standards and requirements of subsections (a) or (b); and

(3) A plan for extending services to the area to be annexed.

The report shall be available for public inspection in the office of the city clerk for at least two weeks before the date of the public hearing.

(d) Hearing and Notice. – The council shall hold a public hearing before adopting any ordinance extending the boundaries of a service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the area to be annexed. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(e) Effective Date. – The ordinance extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the council.

(e1) Passage of Ordinance. – No ordinance annexing territory to a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no territory shall be annexed to a service district except by ordinance.

(f) Historic District Boundaries Extension. – A service district which at the time of its creation had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter may only have its boundaries extended to include territory which has been added to the historic district. (1973, c. 655, s. 1; 1981, c. 53, s. 2; 1987, c. 621, s. 2; 2016-8, s. 3.)

**§ 160A-538.1. Reduction of service districts.**

(a) Reduction by City Council. – Upon finding that there is no longer a need to include within a particular service district any certain tract or parcel of land, the city council may by ordinance redefine a service district by removing therefrom any tract or parcel of land which it has determined need no longer be included in said district. The city council shall hold a public hearing before adopting an ordinance removing any tract or parcel of land from a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing.

(a1) Request for Reduction by Owner. – A property owner may submit a written request to the city council to remove the owner's tract or parcel of land from a service district. The owner shall specify the tract or parcel, state with particularity the reasons why the tract or parcel is not in need of the services, facilities, or functions of the proposed district to a demonstrably greater extent than the remainder of the city, and provide any other additional information the owner deems relevant. Upon receipt of the request, the city council shall hold a public hearing as required by subsection (a) of this section. If the city council finds that the tract or parcel is not in need of the services, facilities, or functions of the district to a demonstrably greater extent than the remainder of the city, the city council may, by ordinance, redefine the service district by removing therefrom the tract or parcel.

(b) Effective Date. – The removal of any tract or parcel of land from any service district shall take effect at the end of a fiscal year following passage of the ordinance, as determined by the city council.

(b1) Passage of Ordinance. – No ordinance reducing a service district as provided for in this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service district shall be reduced except by ordinance.

(c) Historic District Boundaries Reduction. – A service district which at the time of its creation had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter may only have its boundaries reduced to exclude territory which has been removed from the historic district. (1977, c. 775, s. 3; 1987, c. 621, s. 3; 2016-8, s. 4.)

**§ 160A-539. Consolidation of service districts.**

(a) The city council may by ordinance consolidate two or more service districts upon finding that:

- (1) The districts are contiguous or are in a continuous boundary; and
- (2) The services provided in each of the districts are substantially the same; or
- (3) If the services provided are lower for one of the districts, there is a need to increase those services for that district to the level of that enjoyed by the other districts.

(b) Report. – Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

- (1) A map of the districts to be consolidated;
- (2) A statement showing the proposed consolidation meets the standards of subsection (a); and
- (3) If necessary, a plan for increasing the services for one or more of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the city clerk for at least two weeks before the public hearing.

(c) **Hearing and Notice.** – The city council shall hold a public hearing before adopting any ordinance consolidating service districts. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the consolidated district. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(d) **Effective Date.** – The consolidation of service districts shall take effect at the beginning of a fiscal year commencing after passage of the ordinance of consolidation, as determined by the council.

(e) **Passage of Ordinance.** – No ordinance consolidating two or more service districts as provided for in subsection (a) of this section shall be finally adopted until it has been passed at two meetings of the city council by majority vote of the voting members present, and no service districts shall be consolidated except by ordinance. (1973, c. 655, s. 1; 1981, c. 53, s. 2; 2016-8, s. 5.)

#### **§ 160A-540. Required provision or maintenance of services.**

(a) **New District.** – When a city defines a new service district, it shall provide, maintain, or let contracts for the services for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) **Extended District.** – When a city annexes territory for a service district, it shall provide, maintain, or let contracts for the services provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation.

(c) **Consolidated District.** – When a city consolidates two or more service districts, one of which has had provided or maintained a lower level of services, it shall increase the services within that district (or let contracts therefor) to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 655, s. 1.)

#### **§ 160A-541. Abolition of service districts.**

Upon finding that there is no longer a need for a particular service district, the city council may by ordinance abolish that district. The council shall hold a public hearing before adopting an ordinance abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any service district shall take effect at the end of a fiscal year following passage of the ordinance, as determined by the council. (1973, c. 655, s. 1; 2016-8, s. 6.)

#### **§ 160A-542. Taxes authorized; rate limitation.**

(a) A city may levy property taxes within defined service districts in addition to those levied throughout the city, in order to finance, provide or maintain for the district services provided therein in addition to or to a greater extent than those financed, provided or maintained for the entire city. In addition, a city may allocate to a service district any other revenues whose use is not otherwise restricted by law.

(b) Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the city as of the preceding January 1.

(c) Property taxes may not be levied within any district established pursuant to this Article in excess of a rate on each one hundred dollar (\$100.00) value of property subject to taxation which, when added to the rate levied city wide for purposes subject to the rate limitation, would exceed the rate limitation established in G.S. 160A-209(d), unless that portion of the rate in excess of this limitation is submitted to and approved by a majority of the qualified voters residing within the district. Any referendum held pursuant to this subsection shall be held and conducted as provided in G.S. 160A-209.

(d) In setting the tax rate, the city council shall consider the current needs, as well as the long-range plans and goals for the service district. The city council shall set the tax rate so that there is no accumulation of excess funds beyond that necessary to meet current needs, fund long-range plans and goals, and maintain a reasonable fund balance. Moneys collected shall be used only for meeting the needs of the service district, as those needs are determined by the city council.

(e) This Article does not impair the authority of a city to levy special assessments pursuant to Article 10 of this Chapter for works authorized by G.S. 160A-491, and may be used in addition to that authority. (1973, c. 655, s. 1; 2015-241, s. 15.16B(b).)

**§ 160A-543. Bonds authorized.**

A city may incur debt under general law to finance services, facilities or functions provided within a service district. If a proposed general obligation bond issue is required by law to be submitted to and approved by the voters of the city, and if the proceeds of the proposed bond issue are to be used in connection with a service that is or, if the bond issue is approved, will be provided only for one or more service districts or at a higher level in service districts than city wide, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire city and by a majority of the total of those voting in all of the affected or to be affected service districts. (1973, c. 655, s. 1; 2004-151, s. 4.)

**§ 160A-544. Exclusion of personal property of public service corporations.**

There shall be excluded from any service district and the provisions of this Article shall not apply to the personal property of any public service corporation as defined in G.S. 160A-243(c); provided that this section shall not apply to any service district in existence on January 1, 1977. (1977, c. 775, s. 4.)

**§§ 160A-545 through 160A-549. Reserved for future codification purposes.**

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