

US 70/Cornelius Street Corridor: Market Study and Development Opportunities Report

Submitted to:

Margaret Hauth, Planning Director
Town of Hillsborough

Prepared by:

Aaron Nousaine
Dana Archer-Rosenthal
Jamaal Green
Amanda Campbell

**Department of City and Regional Planning
PLAN 773**

December 2009



**THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL**

Table of Contents

List of Figures and Tables	ii
Executive Summary	iii
Introduction	1
Project Area and Study Area Definitions	2
Existing Conditions Assessment	6
Demographic and Economic Trends	6
Existing Land Uses	22
Current Real Estate Market Conditions	22
Health Services Assets and Opportunities	25
What is an Asset Map?.....	25
Identified Assets.....	26
Occupational Concentrations	28
Models for Health Care Delivery	29
Workforce Development Potential.....	33
Retail Development Opportunities	35
Retail Leakage/Injection Analysis	35
Additional Supportable Retail Development	35
Projected Future Retail Demand	36
Business and Employment Development Impacts	42
Sales Tax Revenue Generation	49
Development Opportunities	53
Planned and Proposed Developments	53
Development Recommendations.....	53
Conclusion	56

List of Figures and Tables

Figure 1: US 70/Cornelius Street Corridor Project Area	4
Figure 2: US 70/Cornelius Street Corridor Study Area Radii	5
Table 1: Population and Household Trends, 2000 and 2009	9
Table 2: Age Distribution, 2000 and 2009	10
Table 3: Household Income Distribution, 1999 and 2009	11
Table 4: Educational Attainment, 2000 and 2009	12
Table 5: Households by Race/Ethnicity, 2000 and 2009	13
Table 5: con'tTable 6: Housing Stock by Year Built, 2000 and 2009	14
Table 6: Housing Stock by Year Built, 2000 and 2009	15
Table 7: Housing Stock Characteristics, 2000 and 2009	16
Table 8: Labor Force Trends, 2000 to 2008	18
Table 9: Occupational Employment Projections, 2004 and 2014.....	19
Table 10: Population Projections, 2000, 2009, and 2029	21
Figure 3: Hillsborough Health Service Provider Locations.....	27
Table 11: Health Professionals Per 10,000 Residents, 2009	28
Table 12: Triangle Area Health Provider Organizations, 2009	30
Table 13: Health Care Occupational Wages, State and Nation, 2009	34
Table 14: Existing Retail Leakage, 2009.....	37
Table 15: Existing Additional Supportable Retail Square Feet, 2009	39
Table 16: Projected Increase in Retail Demand, 2010 – 2029.....	40
Table 17: North Carolina Retail Employment and Payroll, 2007.....	44
Table 18: Estimated Business and Job Development Impacts, Two-Mile Radius, 2009	45
Table 19: Projected Business and Employment Development Impacts, Two-Mile Radius, 2010-2029	47
Table 20: Estimated Sales Tax Revenue Generation, 2009	50
Table 21: Estimated Sales Tax Revenue Generation 2029	51
Table 22: Planned and Proposed Residential and Commercial Projects, December 2009	55

Executive Summary

This project was designed to provide further analysis of the conditions identified in the US 70/Cornelius Street Corridor Plan prepared by the Town of Hillsborough in 2007. The explicit goal of this work is to develop a better understanding of the potential opportunities and constraints to future development along the corridor.

Using a variety of methods, and taking into consideration the issues and opportunities identified in the 2007 report, the project team has conducted an in-depth analysis of the demographic and economic trends affecting the Cornelius Street Corridor. An assessment of health care services in Hillsborough, and discussion of two different service delivery models, attempts to address an identified community need while relating potential development to Hillsborough's existing health care service industry. Finally, the report outlines the area's retail development potential, and potential employment and sales tax impacts of retail development.

Existing Conditions Assessment

This section provides detailed information on demographic and economic trends, existing land uses, current real estate market conditions, and the state of the local economy. Analysis is performed using 2000 Census data, updated demographic data purchased from Claritas, Inc., and data from other public sources such as the Employment Security Commission of North Carolina and the Office of State Budget and Management.

For data analysis purposes, the study area was defined as the 2-mile radius from the geographic center of the Cornelius Street corridor. This area includes most of the town of Hillsborough. For the sake of comparison, data for five- and ten-mile radius areas were also analyzed. This methodology corresponds with the one used in the US 70/Cornelius Street Corridor Plan. In some cases, data was only available at the county level.

Demographic and Economic Trends

When compared to the five-mile and ten-mile radius areas, the population of the two-mile study area exhibits the following qualities:

- **An older population** – A growing proportion of adults age 65 and older.
- **Lower median household income** – A declining median household income that is \$8,000-16,000 less than in the wider areas.
- **More racial diversity** – 29 percent of residents identify as African-American, compared to 19 and 14 percent in the five- and ten-mile radii, respectively.
- **Lower levels of educational attainment** – 53 percent of residents age 25 and over have a high school degree or less.

Population growth projections for the year 2029 were prepared, using both a low and a high estimate model. The low-growth model predicts slight population loss (approximately 140 people) in the two-mile study area, while the high-growth model predicts moderate annual growth for a total increase of approximately 2,700 people.

Employment in the tri-county region of Alamance, Durham, and Orange Counties is concentrated in service industries, with high employment in education and health services, goods-producing industries, and manufacturing. Projected employment growth through 2014 estimates an addition of roughly 56,000 jobs. Growth is most pronounced in the education and health services, professional and business services, and general service sectors.

Existing Land Uses

The US 70/Cornelius Street corridor is characterized by single-family dwellings on large lots, interspersed with approximately 12 businesses, including a handful of retail and personal service establishments and a motel. Along this section of US 70 there are also many vacant and underutilized parcels that, if rezoned and consolidated, could provide significant opportunities for additional commercial and mixed residential development. Further east on US 70, in the area directly east of the Cornelius Street corridor, development patterns are basically the same, with slightly greater concentrations of commercial and retail space.

Current Real Estate Market Conditions

The retail, office and industrial/flex sectors of the local commercial real estate market were analyzed and compared to those of the Triangle region. Given the economic recession, it is not surprising to find rates of office and industrial vacancy in the range of 15 to 20 percent in Hillsborough. This roughly coincides with vacancy rates for the county and Triangle region.

Lease rates for office space run between \$10 and \$16 per square foot, per year: significantly lower than the County and regional averages of \$22.06 and \$20.55 per square foot, per year, respectively. On the other hand, lease rates for industrial and flex space were in the same range as the Triangle, and slightly higher than the county as whole. This suggests some comparative advantage for Hillsborough in this area. Local real estate brokers estimated lease rates for light industrial warehouse at around \$4 or \$5 per square foot per year, compared to county and Triangle averages of \$3.50 and \$4.21, respectively. Adaptive flex space fetches between \$8 and \$9 per square foot per year in Hillsborough, compared to \$7.40 in the county, and \$8.53 in the Triangle.

The retail real estate market in Hillsborough has remained fairly strong. Vacancy in the historic downtown has decreased as a result of concerted local effort at revitalization, and leasing prices have increased. Lease rates for retail space range between \$18 and \$22 per square foot, per year, up from \$14 per square foot, per year, several years ago.

There is a significant amount of developable land available for purchase in and around Hillsborough. The availability of developable land in the south side commercial district and downtown areas may pose a challenge to development efforts in the Cornelius Street area since this area has historically been less desirable to private sector development. The Waterstone Economic Development District located to the east of the study area, on US 70, may also provide options for developers interested in commercial and office development.

Health Services Asset Map

An asset map is essentially an inventory of an area's existing resources. As a first step towards understanding Hillsborough's health services sector, a map of its health assets was developed based on an inventory that found 81 health care service and support providers. This analysis identified that Hillsborough's health care assets are most concentrated in the areas of dentistry, family and general practice, senior and/or nursing care, and psychiatry and psychology. A number of health care providers within the Cornelius Street area were also identified, including Kerr Drug, private doctor's offices, and the R&G Rest Home. Unique assets in Hillsborough include Durham Tech's Health Technologies programs, a number of medical technology companies, county health and social service offices, and a number of home health care service providers. Through an interview with Brian Toomey, CEO of Piedmont Health Services, the project team collected information on two models for health service provision.

Community Health Centers

Community health centers are federally funded health care providers with a mandate to provide comprehensive medical, dental and support services to underserved areas or populations. Community health centers are judged to be a critical way of extending health care services and Medicare and Medicaid coverage to uninsured populations. Minorities, migrants, children, senior citizens and women are disproportionately represented as patients of community health care centers, as are the uninsured.

Program of All-Inclusive Care for the Elderly (PACE)

Piedmont Health Services also operates a senior care center, which is based on the model Program of All-Inclusive Care for the Elderly (PACE). PACE is a nationally-recognized model of care for individuals deemed eligible for nursing care but able to live independently with PACE services. Patients are treated by an integrated team of medical, social and support service providers, and visit the PACE day care center 1-5 times a week. Transportation is provided, so that seniors are able to remain within their community as they age.

Workforce Development Potential

One advantage of a focus on health care services as an anchoring use for Cornelius Street is the

potential job opportunities that could be created. The Durham Technical Community College, which has a campus in Hillsborough, provides multiple career tracks in their Health Technologies career cluster that may provide potential avenues for employment with existing and future local health service providers. These career tracks all pay average annual wages higher than \$26,000, which is an attractive wage when compared to those provided by retail and many other service sector jobs.

Retail Leakage/Injection Analysis

Economists define “leakage” as the amount of money local area residents spend outside of their community. By contrast, “injection” is the amount of money residents from outside the area are spending in the local community. Across a majority of categories, the two-mile radius exhibits a total leakage of nearly \$17 million dollars. The largest areas of leakage are Automobile and Other Vehicle Dealers, with \$6.7 million in leakage, and Gasoline Stations with three million dollars in leakage. Other areas of significant loss are Clothing and Clothing Accessories, Health and Personal Care Stores, and Electronics and Appliance Stores. The five-mile radius exhibits a total leakage of roughly \$100 million. Important categories with leakage include General Merchandise Stores with nearly \$19 million in leakage, and Foodservice and Drinking Places with almost \$14 million in leakage, among others.

Additional Supportable Retail Development

To translate retail sales figures into estimates of additional supportable retail development, the project team utilized average sales per square foot data collected by the Urban Land Institute through a national survey of retail establishments. Including a 14 percent adjustment for non-retail establishments (i.e. business and personal services) and a ten percent adjustment to reflect healthy retail vacancy levels, the two-mile radius could potentially absorb an estimated 23,000 square feet of retail space at current demand levels. Specifically, the results of this analysis identified that sufficient demand within the two-mile radius exists for an additional 47,000 square feet in the food and beverage stores category, sufficient to accommodate a traditionally-sized grocery store. The five mile radius, by comparison, exhibits an absorption potential of over 150,000 square feet.

Projected Future Retail Demand

Based on projected population growth, the estimated increase in retail demand through 2029 within the two-mile radius is between \$67 million and \$98 million. Translating these figures to square feet, the total projected retail development capacity within the two-mile radius is between 226,000 and 333,000 square feet. The retail categories projected to experience the largest growth include general merchandise stores and food and beverage stores, each with between \$12 million and \$18 million in retail sales. The building materials and garden equipment stores category shows an estimated increase in demand of nearly \$10 million to over \$14 million in retail sales, and between 23,000 and 34,000 square feet of development.

Business and Employment Development Impacts

Based on national average gross leasable area, and state average employment per establishment, the project team estimated the total number of businesses and jobs that could be created through capture of existing retail leakage and projected retail demand. Using these figures, the two-mile radius could potentially support up to five new retail establishments and 51 new jobs. These impacts are concentrated in the sectors of Clothing and Clothing Accessories, Electronics and Appliance Stores, and Health and Personal Care Stores. By applying the average annual wages this potential job creation could provide around one million dollars in wages to area residents annually. Business and job development projections suggest a potential to create between 745 and nearly 1,100 new jobs through 2029 in the two-mile radius. This increases to between 152 to 195 new businesses and 2,800 to 3,600 jobs in the five-mile radius over the same period.

Potential Sales Tax Revenue Generation

The total additional sales tax generation potential of retail development in the two-mile radius, based on existing 2009 retail sales leakage, is approximately \$1.3 million. By comparison, the five-mile radius exhibits potential sales tax revenues of \$7.7 million, and the ten-mile radius over \$46 million. Based on projected 2029 retail demand estimates, the total sales tax that could be generated from future retail development is between \$6.9 million and \$9.4 million per year in the two-mile area and between \$26 million and \$33 million in the five-mile area.

Development Opportunities

Planned and Proposed Developments

There are currently 10 new developments approved or under construction in the Town of Hillsborough. Eight of the approved projects include residential units, with a total of nearly 600 single-family units, 700 multi-family units, and over 400 special units. Four projects include commercial and office space with a total of 163,000 square feet of retail and 414,000 square feet of office space. The largest development project known was Waterstone includes over 73,000 square feet of retail, 364,000 square feet of office space, and the over one million square foot UNC Hospital complex.

Development Recommendations

Based on the project team's estimates of retail development potential, as derived from existing and future projected retail leakage, the two-mile radius shows the potential to support approximately 23,000 square feet of new retail space, in the short-run. The five-mile radius, by comparison, shows development potential of over 250,000 square feet. Looking farther ahead using population based demand projections, the two-mile radius could add between 226,000 square feet and 333,000 square feet of additional retail space. The five-mile radius, by comparison, reports a projected capacity of between 858,000 square feet and over one million square feet of retail space

through 2029. The Town of Hillsborough has already approved over 163,000 square feet of commercial development. This equals approximately seven times estimated existing demand capacity of the two-mile radius, based on 2009 leakages. By contrast, the 250,000 square feet of development potential in the five-mile radius is roughly 1.5 times the amount of space provided by four commercial projects currently under construction in Hillsborough.

Conclusion

In conclusion, retail development is a strong possibility for the Cornelius Street Corridor, based on the retail leakage analysis. Health care, or some other institutional use, could serve as a leading anchor for the corridor and encourage the development of retail or other supporting services. In the realm of health care, there are unique models that Hillsborough could explore that would meet the specific needs of its population and establish Hillsborough as an innovator in the provision of health care services.

More broadly, future development of the Cornelius Street Corridor should take into consideration the following key trends and conditions, highlighted throughout this report:

- An aging population;
- A desire for medical services in the study area, as expressed by local residents;
- The presence of considerable health assets, including training opportunities;
- The unmet market for consumer expenditure in Hillsborough and Orange County, as proven by the retail leakage analysis; and
- A local real estate market that is, generally, weaker than or secondary to, the market in the county and the region.

In concert with the Town's expressed vision of reconnecting the neighborhoods north of U.S. 70 with those to the south, and to Hillsborough's blooming downtown district, the development strategy for Cornelius Street should strive to provide services to neighborhoods located on both sides of the highway ; attract and retain retail dollars from within and outside the county; create jobs that provide decent wages, conditions and opportunities for workers from Hillsborough; and enhance the physical appearance, environment and current uses of the corridor. By doing so, development can hope to achieve the sustainability that economic development strives for.

Introduction

The US 70/Cornelius Street Corridor revitalization effort was initiated in 2006 with the creation of a task force made up of representatives of the Hillsborough Town Board, the Orange County Board of Commissioners, the Orange County Economic Development Commission, the local business community and the town's citizens. The result of this collaboration was the U.S. 70/Cornelius Street Corridor Strategic Plan, published in 2007. The primary goal of the redevelopment effort is to reconnect the neighborhoods located to the north of U.S. 70 with Hillsborough's historic downtown, through physical improvements and economic development.

This project was designed to provide further analysis of the conditions identified in the U.S. 70/Cornelius Street Corridor Plan from 2007. The explicit goal is to develop better understanding of the potential opportunities and constraints to future neighborhood serving commercial development along the corridor. Our hope is that this report can be used as a resource to support the formation of a holistic economic development strategy for the US 70 Corridor, and that the methods used in our analysis can be applied for future planning efforts.¹

Data and analysis presented throughout this report can provide justification for bringing jobs and amenities to an area that is underserved. In addition, we present health care as a potential anchor for the U.S. 70 corridor and explore, preliminarily, some of the benefits this would have for Hillsborough and its residents. It is important that any new economic development strategies are integrated with prior findings and are in line with expressed needs in the community. The following criteria for proposed development for Cornelius Street were developed based on the ideas that have emerged in past discussions with Hillsborough residents; more recent discussions with town and county government, and commercial real estate brokers; and through select quantitative analysis of the demographics and spending patterns of residents of the neighborhoods surrounding Cornelius Street. They are grounded in an understanding of what is needed, what is desired, and what is possible for Cornelius Street, given existing conditions.

Potential new development and redevelopment should be evaluated based on its ability to:

- 1) **Provide services to neighborhoods located directly north and south of Cornelius Street.** The residential neighborhoods that surround Cornelius Street are underserved by commercial opportunities. Limited access to public and private transportation creates a need for retail and service industries that can be easily accessed by pedestrians from both neighborhoods, as well as an opportunity for greater incorporation of the north-side residents into the commercial activity in town.

¹ The particular methods used for each portion of the analysis are described at the beginning of each section.

- 2) **Attract and retain retail dollars from within and outside the county.** Orange County and its municipalities are engaged in an ongoing effort to balance their tax bases, as the majority of the tax burden is currently borne by homeowners. Increasing retail and commercial development is imperative in order to achieve this balance, much of which results from the leakage of consumer dollars to neighboring counties. Development of the tax-exempt UNC hospital in Hillsborough's Waterstone Economic Development District, on land previously zoned for commercial development, represents forgone future sales and business taxes. Commercial or office development on Cornelius Street can capture some of this displaced commercial use. Further, Cornelius Street serves as a commuter route between points west (e.g. Mebane and Alamance County) and Durham. Strategic commercial development can fill existing gaps in the town and along the longer US 70 corridor, and by doing so, prevent further leakage and attract more spending from commuters passing through the town.

- 3) **Create jobs that provide decent wages, conditions and opportunities for workers from Hillsborough.** In a town and county where quality of life issues have played a significant role in economic development goals to date, the issue of job quality is critical. Not all jobs are created equal: some jobs and industries, despite requiring relatively low-levels of education, can provide opportunities for advancement, while others offer little opportunity for growth. Given the challenges of public and private transportation, good quality jobs that are accessible to residents of the neighborhood's adjoining Cornelius Street would be a positive addition to the corridor and help combat the potential negative effects of development (e.g. exclusion, gentrification).

- 4) **Enhance the physical appearance, environment, and current uses of the corridor.** Cornelius Street serves as a gateway to Hillsborough. It is an urban road, but its current conditions give it a more rural feeling. Improved lighting, signage and pedestrian pathways are part of a parcel of physical improvements that could make the corridor look and feel more incorporated with the rest of the town, and improve safety for pedestrians. New and redeveloped sites should be of a scale that is fitting for the surrounding neighborhoods. Achieving a mix of uses, either throughout the corridor or within individual buildings, can further enhance the image and feeling of the corridor by bringing more activity to the area and spreading the activity over a greater part of the day.

Project Area and Study Area Definitions

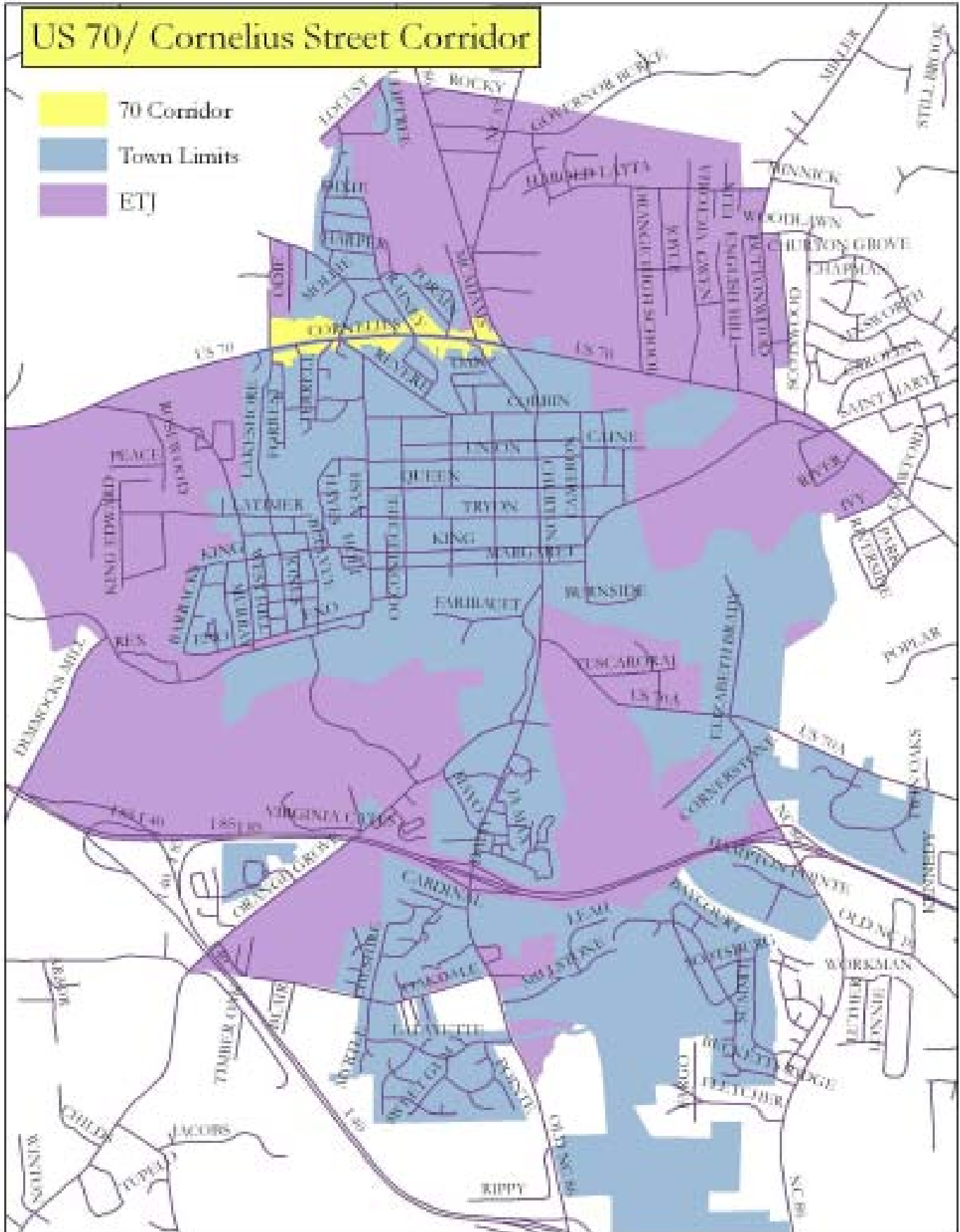
Hillsborough's Cornelius Street commercial corridor stretches approximately 1.2 miles, from Lakeshore Drive to the intersection of US 70 with NC-86. US 70 is a major east-to-west route that connects Durham with Mebane and other cities to the west, carrying over 8,400 vehicles per day as

of 2004.² The majority of parcels of land along US 70 are either unoccupied or underutilized, though there is some residential and commercial development. Within this section of the highway there are roughly 12 active businesses. For details regarding the geographic extent of the project area, please refer to Figure 1 below.

For purposes of analyzing relevant demographic data, and to facilitate the identification of potential market opportunities, the project team used Geographic Information Systems (GIS) to define three study areas, in addition to the project area. These were created by drawing three circles with a two-mile, five-mile, and ten-mile radius. The center point of each was located at the intersection of Hills Street and Cornelius Street. As can be seen in Figure 2, the two-mile radius roughly encompasses the portion of Hillsborough located north of Highway 85. The five-mile radius, by comparison, includes the southern portions of Hillsborough, and many of the rural properties that immediately surround the town. Lastly, the ten-mile radius also includes Mebane, portions of Woodlawn, Carrboro, Chapel Hill, and some of Durham's western suburban neighborhoods.

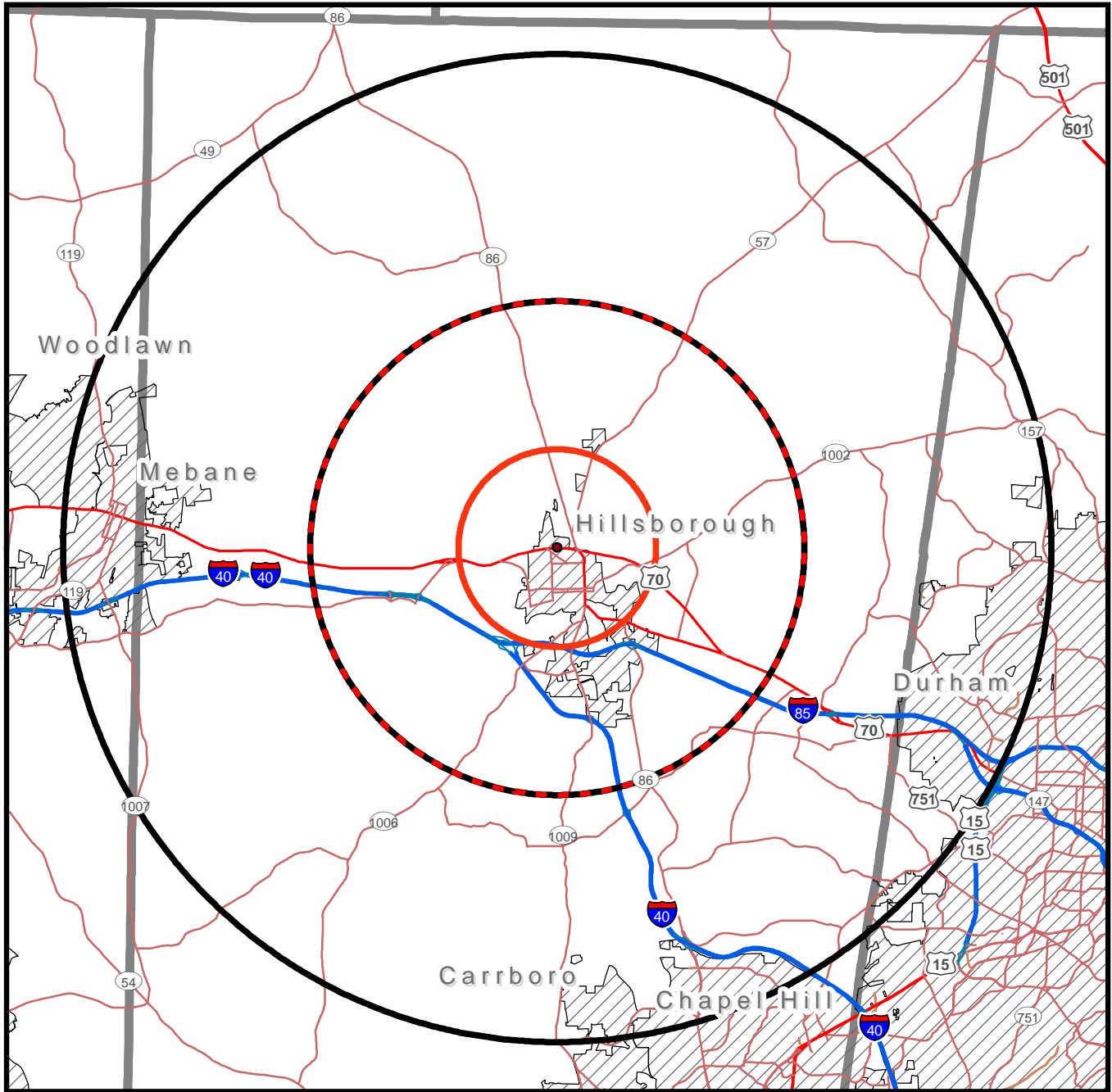
² US 70/Cornelius Street Task Force. (2007). U.S. 70 Cornelius Street Corridor Strategic Plan.

Figure 1: U.S 70/Cornelius Street Corridor Project Area



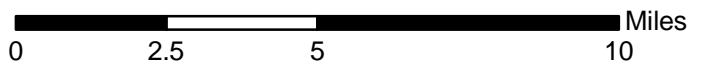
Sources: U.S. 70/Cornelius Street Strategic Plan, 2007; DCRP, PLAN 773, 2009.

Figure 2: US 70/Cornelius Street Corridor Study Area Radii



Legend

- Corridor_Anchor
- 2-Mile Buffer
- 5-Mile Buffer
- 10-Mile Buffer
- Census Designated Place
- County Boundary



Sources: U.S. Census Buearu, 2009; ESRI, 2009; DCRP, PLAN 773, 2009.

Existing Conditions Assessment

This section of the report provides detailed information on existing demographic and economic trends, land uses, real estate market conditions, and the local economy. The intent of this analysis is to facilitate identification of potential market strengths, challenges and opportunities.

Demographic and Economic Trends

The demographic and economic data reported below were collected from a number of both primary and secondary data sources including the U.S. Census; Claritas, a private data vendor; the North Carolina Employment Security Commission; and the North Carolina Office of State Budget and Management.

Population and Household Trends

Population Growth Trends

As shown in Table 1, the population of Hillsborough, as represented by the two-mile radius area, declined from 6,156 to 6,093 between 2000 and 2009—a 1 percent decrease. This is in contrast to a total population increase of 987 residents, or 6 percent, in the five-mile radius, and an increase of over 9,000 residents, or 13 percent, in the ten-mile radius.

Household Growth Trends

Household growth is also starkly different in the two-mile radius compared to the five- and ten-mile areas. The number of households in the two-mile radius stayed roughly the same between 2000 and 2009. The number of households in the five-mile radius, however, grew by around 7 percent. The rate of growth increases even more significantly in the ten-mile radius, by about 13 percent.

Household Size

Household size in the two larger ring areas in the period between the years 2000 and 2009 stayed about the same at 2.5 persons per household. The two-mile ring analysis revealed that Hillsborough household size declined slightly from 2.5 to 2.4 persons per household during the same period.

Household Type

Similarly, the proportion of family households within each ring area remained roughly the same during the nine year period. In 2009 the two-mile radius was comprised of 35 percent family households. The five- and ten-mile radii show similar figures with 38 percent and 36 percent, respectively.

Household Tenure

While more than two thirds of homes in the two-mile radius are owner-occupied, there are proportionately more renters than home owners compared to the five- or ten-mile radii. Table 1 shows that the two-mile radius consists of 69 percent owners, whereas the five-mile radius consists of 74 percent owners, and the ten-mile radius consists of 76 percent owners.

Age Distribution

Table 2 shows the age distribution of residents in the three geographies, which prove to be rather similar. All three areas have populations that are aging (i.e. median age is rising from around 37-38 years of age to between 41- 42 years of age). More specifically, the two-mile radius exhibits an increasing percentage of residents in the 65 and over age group, rising from 14 to 16 percent. The share of population 65 and over grew from around 11 percent to 13 percent in both five-mile and ten-mile radii. This suggests that the population of Hillsborough is slightly older than average for the area.

Household Income Distribution

Table 3 reports the distribution of households by income category. Based on this data, the 2009 median household income in the two-mile radius was about \$47,000, compared to \$55,000 in the five-mile radius, and \$63,000 in the ten-mile radius. This shows a clear trend of lower average incomes near Hillsborough as compared to the surrounding area. Adjusted for inflation to 2009 dollars, the median household incomes declined in all geographies between 1999 and 2009. In the two-mile radius the median income declined by 6 percent, as compared to 1 percent in five-mile and 5 percent in the ten-mile radius.

Educational Attainment

Table 4 shows that similar to other trends, the two-mile radius exhibits lower rates of educational attainment than the five- and ten-mile areas. Fifty-three percent of residents within two miles of the study corridor have schooling equivalent to a high school diploma or less. This is opposed to 49 percent in the five-mile and 37 percent in the ten-mile radius. Yet, 23 percent of the population age 25 and over within two-miles have obtained a bachelor's or higher degree. This is fairly similar to the five-mile radius where 26 percent of residents have a bachelor's degree. However, in the ten-mile radius 38 percent of residents have earned at least a bachelor's degree. Educational attainment figures for the ten-mile radius may be influenced by the presence of the University of North Carolina at Chapel Hill.

Household Race and Ethnicity

In the two-mile area, there is a higher proportion of residents characterized as African-American compared to those identified as White than in the five- and ten-mile areas, as shown in Table 5. Overall, the proportion of residents who identify as Hispanic or Latino is very low, around one

percent. The share of residents who identify as races other than White or African-American is also very low, only around three percent in the two-mile radius. The proportion of African-Americans in the two-mile area, around 29 percent, is slightly higher than in the five- and ten mile radii, which have 19 and 14 percent respectively. The percentage of residents identifying as African-American rose 2% from 2000 to 2009 in Hillsborough, with a corresponding decrease in the White population.

Housing Age

Housing age, shown in Table 6, is relatively older in and around the study area. 54 percent of housing units were built prior to 1960 in the two-mile radius, but only 29 percent in the five-mile, and 21 percent in the ten-mile. 18 percent of housing stock in the two-mile radius was built before 1940 and only 10 percent was built since 1999. The large proportion of older housing stock in Hillsborough may in part reflect the Town's policy of historic preservation that prioritizes rehabilitation of historic structures.

Housing Stock Characteristics

As regards the types of housing available in and around Hillsborough, the two-mile area contains a higher majority of single family detached housing (76 percent) than the five- and ten-mile rings. Another 16 percent of housing units within two-miles of the corridor are mobile home units while the remainder consists mostly of multi-family duplex and apartment units.

Housing Vacancy Status

Vacancy rates, shown in Table 7, are a little high in Hillsborough—12 percent, compared 11 percent in the five-mile radius and 9 percent in the ten-mile area. Vacancy rates in all three regions increased by a few percentage points from 2000 to 2009. A vacancy rate of 6-8% is considered normal for a healthy market.

Table 1: Population and Household Trends, 2000 and 2009

<u>Two Mile Radius (a)(b)</u>	<u>2000</u>	<u>2009 (est.)</u>	<u>Percent Change 2000-2009</u>	<u>Five Mile Radius (a)(b)</u>	<u>2000</u>	<u>2009 (est.)</u>	<u>Percent Change 2000-2009</u>
Population	6,156	6,093	-1%	Population	17,943	18,930	6%
Households	2,431	2,440	0%	Households	6,975	7,441	7%
Average Household Size	2.5	2.4		Average Household Size	2.5	2.5	
Household Type				Household Type			
HH with Children	35%	35%		HH with Children	38%	38%	
HH without Children	65%	65%		HH without Children	62%	62%	
Tenure				Tenure			
Owner	68%	69%		Owner	74%	74%	
Renter	31%	31%		Renter	26%	26%	
<u>Ten Mile Radius (a)(b)</u>	<u>2000</u>	<u>2009 (est.)</u>	<u>Percent Change 2000-2009</u>				
Population	71,662	80,751	13%				
Households	28,380	32,102	13%				
Average Household Size	2.5	2.5					
Household Type							
HH with Children	36%	37%					
HH without Children	64%	63%					
Tenure							
Owner	76%	76%					
Renter	24%	24%					

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 2: Age Distribution, 2000 and 2009

Age Range	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	2000		2009 (Est.)		2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Under 18	1,515	25%	1,354	22%	4,529	25%	4,436	23%
18 - 24	454	7%	521	9%	1,274	7%	1,543	8%
25 - 34	808	13%	631	10%	2,663	15%	1,993	11%
35 - 44	1,005	16%	777	13%	3,201	18%	2,680	14%
45 - 54	946	15%	945	16%	2,791	16%	3,145	17%
55 - 64	577	9%	915	15%	1,577	9%	2,678	14%
65 and over	852	14%	947	16%	1,902	11%	2,460	13%
Total Population (c)	6,157	100%	6,090	100%	17,937	100%	18,935	100%

Median Age

Age Range	Ten Mile Radius (a)(b)			
	2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total
Under 18	17,783	25%	18,712	23%
18 - 24	4,728	7%	6,556	8%
25 - 34	9,768	14%	8,603	11%
35 - 44	12,832	18%	10,845	13%
45 - 54	12,150	17%	14,235	18%
55 - 64	6,492	9%	11,397	14%
65 and over	7,905	11%	10,399	13%
Total Population (c)	71,658	100%	80,747	100%

Median Age

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

(c) Sums may not equal those reported in Table 1 due to rounding.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 3: Household Income Distribution, 1999 and 2009

Income Range	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	1999		2009 (Est.)		1999		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Less than \$15,000	384	16%	262	11%	887	13%	630	8%
\$15,000 - \$24,999	374	15%	320	13%	886	13%	710	10%
\$25,000 - \$34,999	311	13%	264	11%	906	13%	733	10%
\$35,000 - \$49,999	503	21%	454	19%	1,379	20%	1,267	17%
\$50,000 - \$74,999	411	17%	522	21%	1,426	20%	1,631	22%
\$75,000 - \$99,999	200	8%	235	10%	777	11%	1,014	14%
\$100,000 - \$149,999	138	6%	218	9%	453	6%	958	13%
\$150,000 or More	110	5%	163	7%	261	4%	499	7%
Total Households	2,431	100%	2,440	100%	6,975	100%	7,441	100%
Unadjusted Median Household Income	1999		2009		1999		2009	
	\$39,054		\$47,265		\$43,612		\$55,205	
Adjusted Median Household Income (c)	\$50,118		\$47,265		\$55,967		\$55,205	
Income Range	Ten Mile Radius (a)(b)							
	1999		2009 (Est.)					
	Number	Percent of Total	Number	Percent of Total				
Less than \$15,000	2,999	11%	2,583	8%				
\$15,000 - \$24,999	2,950	10%	2,466	8%				
\$25,000 - \$34,999	3,307	12%	2,987	9%				
\$35,000 - \$49,999	4,499	16%	4,498	14%				
\$50,000 - \$74,999	5,995	21%	6,498	20%				
\$75,000 - \$99,999	3,539	12%	4,583	14%				
\$100,000 - \$149,999	3,119	11%	4,817	15%				
\$150,000 or More	1,973	7%	3,670	11%				
Total Households	28,380	100%	32,102	100%				
Unadjusted Median Household Income	1999		2009					
	\$51,612		\$63,016					
Adjusted Median Household Income (c)	\$66,234		\$63,016					

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

(c) 1999 median incomes for all geographies are adjusted by a factor of 1.28, based on the Bureau of Labor Statistics Consumer Price Index for all urban consumers in the South Region for the first half of the year, to reflect incomes that are adjusted to 2009 dollars.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 4: Educational Attainment, 2000 and 2009

Educational Attainment (a)	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	2000		2009 (Est.)		2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Some High School or Less	1,215	29%	1,201	28%	2,835	23%	2,960	23%
High School Diploma	1,037	25%	1,043	25%	3,157	26%	3,353	26%
Some College	822	19%	811	19%	2,228	18%	2,335	18%
Associate Degree	201	5%	208	5%	827	7%	893	7%
Bachelor's Degree	451	11%	455	11%	1,676	14%	1,781	14%
Master's Degree	304	7%	302	7%	978	8%	1,063	8%
Professional Degree	72	2%	72	2%	255	2%	281	2%
Doctorate Degree	130	3%	124	3%	271	2%	287	2%
Total Population 25+	4,232	100%	4,216	100%	12,227	100%	12,953	100%

Educational Attainment (a)	Ten Mile Radius (a)(b)			
	2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total
Some High School or Less	7,567	15%	8,366	15%
High School Diploma	10,910	22%	12,179	22%
Some College	8,907	18%	9,971	18%
Associate Degree	3,349	7%	3,777	7%
Bachelor's Degree	9,848	20%	11,168	20%
Master's Degree	4,821	10%	5,594	10%
Professional Degree	1,747	4%	2,007	4%
Doctorate Degree	2,068	4%	2,417	4%
Total Population 25+	49,217	100%	55,479	100%

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 5: Households by Race/Ethnicity, 2000 and 2009 (Page 1 of 2)

Household Race/Ethnicity (c)	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	2000		2009 (Est.)		2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Not Hispanic or Latino								
White	1,712	70%	1,645	67%	5,409	78%	5,652	76%
Black or African American	645	27%	698	29%	1,304	19%	1,402	19%
American Indian and Alaska Native	8	0%	12	0%	30	0%	41	1%
Asian	6	0%	7	0%	26	0%	40	1%
Native Hawaiian and Other Pacific Islander	0	0%	0	0%	0	0%	0	0%
Some Other Race	2	0%	2	0%	4	0%	5	0%
Two or More Races	26	1%	32	1%	70	1%	100	1%
Subtotal: Not Hispanic or Latino	2,399	99%	2,396	98%	6,843	98%	7,240	97%
Hispanic or Latino								
White	19	1%	25	1%	61	1%	91	1%
Black or African American	1	0%	0	0%	3	0%	3	0%
American Indian and Alaska Native	0	0%	0	0%	1	0%	2	0%
Asian	0	0%	0	0%	0	0%	0	0%
Native Hawaiian and Other Pacific Islander	0	0%	0	0%	0	0%	0	0%
Some Other Race	11	0%	17	1%	56	1%	87	1%
Two or More Races	1	0%	2	0%	11	0%	18	0%
Subtotal: Hispanic or Latino	32	1%	44	2%	132	2%	201	3%
Total: Households	2,431	100%	2,440	100%	6,975	100%	7,441	100%
	Ten Mile Radius (a)(b)							
	2000		2009 (Est.)					
	Number	Percent of Total	Number	Percent of Total				
Not Hispanic or Latino								
White	22,931	81%	25,448	79%				
Black or African American	4,110	14%	4,595	14%				
American Indian and Alaska Native	79	0%	101	0%				
Asian	446	2%	690	2%				
Native Hawaiian and Other Pacific Islander	2	0%	3	0%				
Some Other Race	21	0%	23	0%				
Two or More Races	245	1%	362	1%				
Subtotal: Not Hispanic or Latino	27,834	98%	31,222	97%				
Hispanic or Latino								
White	267	1%	424	1%				
Black or African American	18	0%	29	0%				
American Indian and Alaska Native	7	0%	11	0%				
Asian	2	0%	3	0%				
Native Hawaiian and Other Pacific Islander	0	0%	0	0%				
Some Other Race	225	1%	368	1%				
Two or More Races	27	0%	45	0%				
Subtotal: Hispanic or Latino	546	2%	880	3%				
Total: Households	28,380	100%	32,102	100%				

Table 5: Households by Race/Ethnicity, 2000 and 2009 (Page 2 of 2)

Notes:

- (a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.
- (b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.
- (c) Based on self-reported race/ethnicity of the head of household.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 6: Housing Stock by Year Built, 2000 and 2009

Year Structure Built	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	2000		2009 (Est.)		2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
1999 or later	63	2.4%	268	9.7%	314	4.2%	1,321	15.9%
1995 to 1998	128	4.8%	122	4.4%	703	9.3%	676	8.1%
1990 to 1994	185	6.9%	177	6.4%	805	10.6%	771	9.3%
1980 to 1989	370	13.8%	359	13.0%	1,699	22.5%	1,675	20.1%
1970 to 1979	449	16.8%	430	15.5%	1,463	19.4%	1,417	17.0%
1960 to 1969	387	14.5%	379	13.7%	872	11.5%	849	10.2%
1950 to 1959	381	14.3%	363	13.1%	610	8.1%	580	7.0%
1940 to 1949	222	8.3%	210	7.6%	378	5.0%	358	4.3%
1939 or earlier	487	18.2%	463	16.7%	715	9.5%	672	8.1%
Total Units	2,672	100%	2,771	100%	7,559	100%	8,319	100%

Year Structure Built	Ten Mile Radius (a)(b)			
	2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total
1999 or later	1,547	5.1%	7,243	20.5%
1995 to 1998	3,755	12.4%	3,616	10.2%
1990 to 1994	3,710	12.2%	3,570	10.1%
1980 to 1989	7,306	24.1%	7,256	20.5%
1970 to 1979	6,353	20.9%	6,220	17.6%
1960 to 1969	2,936	9.7%	2,896	8.2%
1950 to 1959	1,994	6.6%	1,917	5.4%
1940 to 1949	955	3.1%	914	2.6%
1939 or earlier	1,807	6.0%	1,718	4.9%
Total Units	30,363	100%	35,350	100%

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 7: Housing Stock Characteristics, 2000 and 2009

	Two Mile Radius (a)(b)				Five Mile Radius (a)(b)			
	2000		2009 (Est.)		2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total Housing Units								
Occupied Housing Units	2,432	91%	2,440	88%	6,972	92%	7,441	89%
Vacant Housing Units	240	9%	331	12%	587	8%	878	11%
Units in Structure by Structure Type								
1-Unit Detached	2,038	76%	2,108	76%	5,191	69%	5,695	68%
1-Unit Attached	7	0%	10	0%	27	0%	35	0%
Multifamily 2 to 4 Units	130	5%	135	5%	296	4%	321	4%
Multifamily 5 to 9 Units	43	2%	46	2%	268	4%	302	4%
Multifamily 10 or More Units	21	1%	22	1%	108	1%	123	1%
Mobile Home or Other	433	16%	450	16%	1,669	22%	1,843	22%
Total Units (c)	2,672	100%	2,771	100%	7,559	100%	8,319	100%

	Ten Mile Radius (a)(b)			
	2000		2009 (Est.)	
	Number	Percent of Total	Number	Percent of Total
Total Housing Units				
Occupied Housing Units	28,380	93%	32,100	91%
Vacant Housing Units	1,983	7%	3,250	9%
Units in Structure by Structure Type				
1-Unit Detached	21,208	70%	24,658	70%
1-Unit Attached	894	3%	1,021	3%
Multifamily 2 to 4 Units	1,131	4%	1,350	4%
Multifamily 5 to 9 Units	1,113	4%	1,387	4%
Multifamily 10 or More Units	1,669	5%	1,987	6%
Mobile Home or Other	4,348	14%	4,948	14%
Total Units (c)	30,363	100%	35,350	100%

Notes:

(a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

(b) Demographic figures reported by Claritas for the two, five, and ten mile radii represent aggregated Census block group level data. Data for block groups that are partially within the defined boundaries are apportioned based on the geographic centroid of the affected block group. For different data variables, there is some variation in the aggregate population and household counts that result; however, the estimates provide a reasonable indication of the population and household counts in the affected areas, as well as of general growth trends and demographic characteristics.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Labor Force Trends

Unemployment rates for Orange County fluctuated from a low of 2.5 percent to a high of 4.3 percent between 2000 and 2008. In the tri-county region of Alamance, Orange, and Randolph counties unemployment fluctuated from a low of 3.1 percent to a high of 6.6 percent, as shown in Table 8. Current rates are reportedly around 4 percent unemployment in Orange County and 6.6 percent unemployment in the tri-county region.

Occupational Employment Projections

Table 9 shows current employment and growth projections by sector for the Tri-County region (identified above) and North Carolina. In terms of current employment, educational and health services, goods-producing, manufacturing, services-providing, and trade, transportation and utilities are the sectors with the largest numbers of jobs. Growth is expected in many sectors, most notably in the education and health services sector, the professional and business services sector, and the services-providing sector.

Table 8: Labor Force Trends, 2000 Through 2008

Orange County	2000	2001	2002	2003	2004	2005	2006	2007	2008	Average Annual Change 2000-2008
Employed	63,153	63,687	62,438	61,446	61,854	62,956	65,113	65,610	66,956	0.7%
Unemployed	1,638	2,314	2,807	2,762	2,472	2,445	2,221	2,200	2,810	7.0%
Labor Force	64,791	66,001	65,245	64,208	64,326	65,401	67,334	67,810	69,766	0.9%
Unemployment Rate	2.5%	3.5%	4.3%	4.3%	3.8%	3.7%	3.3%	3.2%	4.0%	
										Average Annual Change 2000-2008
Tri-County (a)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2000-2008
Employed	200,105	197,352	196,212	195,843	197,050	199,392	204,352	202,571	136,232	-4.7%
Unemployed	6,319	10,260	12,501	12,452	10,571	10,149	9,547	9,247	9,593	5.4%
Labor Force	206,424	207,612	208,713	208,295	207,621	209,541	213,899	211,818	145,825	-4.3%
Unemployment Rate	3.1%	4.9%	6.0%	6.0%	5.1%	4.8%	4.5%	4.4%	6.6%	

Note:

(a) For the purpose of this analysis the Tri-County Region is defined as Alamance, Orange, and Randolph Counties.

Sources: Employment Security Commission, 2009; DCRP, PLAN 773, 2009.

Table 9: Occupational Employment Projections, 2004 and 2014

Major Industry Group	Tri-County Region (a)			North Carolina		
	2004	2014 (est.)	Average Annual Growth 2004-2014	2004	2014 (est.)	Average Annual Growth 2004-2014
Construction	8,537	10,014	1.6%	218,470	263,880	1.9%
Education and Health Services	47,595	59,967	2.3%	778,960	1,011,280	2.6%
Financial Activities	4,999	5,579	1.1%	188,060	217,060	1.4%
Goods-Producing	41,755	42,844	0.3%	814,020	818,360	0.1%
Government	7,898	9,049	1.4%	264,000	289,930	0.9%
Information	1,254	1,387	1.0%	72,370	83,420	1.4%
Leisure and Hospitality	14,609	17,229	1.7%	348,930	428,640	2.1%
Manufacturing	32,727	32,368	-0.1%	578,710	538,120	-0.7%
Natural Resources and Mining	491	462	-0.6%	16,840	16,360	-0.3%
Other Services (Except Government)	6,218	7,440	1.8%	155,450	181,560	1.6%
Professional and Business Services	15,268	19,868	2.7%	430,540	567,650	2.8%
Services-Providing	123,955	150,970	2.0%	2,987,470	3,651,820	2.0%
Trade, Transportation, and Utilities	26,114	30,451	1.5%	749,160	872,280	1.5%
Total Occupational Employment	331,420	387,628	1.6%	7,602,980	8,940,360	1.6%

Note:

(a) Due to data availability, in this table the Tri-County Region is defined as Alamance, Orange, and Randolph Counties.

Sources: Employment Security Commission of North Carolina, 2009; DCRP, PLAN 773, 2009.

Population Growth Projections

Population growth projections were derived for the two-, five-, and ten-mile radii using two methods. A low growth estimate was created by assuming that the each area's 2000 to 2009 annual average growth rate would continue to apply through the year 2029. Based on these figures the two-mile radius would continue to slowly decrease in population, and would lose approximately 140 residents by 2029. The five- and ten-mile radii, by contrast, are likely to experience an increase in population of approximately 2,400 and 24,500 residents by 2029, respectively. High growth estimates were derived by applying the annual average population growth rate for the Tri-County region (Alamance, Durham, and Orange). Based on this higher rate, the two-, five-, and ten-mile radii would increase in population by a total of nearly 2,700, 8,300, and 36,000 residents respectively, or at a rate of 1.8 percent annually.

Summary

Overall demographic trends in the two-mile radius suggest an area that is experiencing slight population decline; a growing proportion of older residents; a comparatively low median income; a large share of African-American residents; lower than average educational attainment; a relatively high residential vacancy rate; lower home ownership rates; and an older than average housing stock. At the county level, the area is experiencing lower than average unemployment, but this may be influenced by the inclusion of other nearby towns such as Chapel Hill in the county-level figures.

Table 10: Population Projections, 2000, 2009, and 2029

Study Area Radii	2000	2009 (est.)	Average Annual Growth 2000-2009	2029 (proj.)	
				Low (a)	High (b)
				Two Mile	6,156
Five Mile	17,943	18,930	0.6%	21,322	27,300
Ten Mile	71,662	80,751	1.3%	105,291	116,455

	2000	2009 (est.)	Average Annual Growth 2000-2009	2010 (proj.)	2020 (proj.)	2029 (proj.)	Average Annual Growth	Average Annual Growth
							2010-2029	2000-2029
Alamance County	131,503	149,339	1.4%	152,680	185,900	215,515	1.8%	1.7%
Durham	224,619	267,394	2.0%	274,371	344,120	406,895	2.1%	2.1%
Orange County	116,017	131,123	1.4%	132,951	151,229	167,679	1.2%	1.3%
Tri-County Region	472,139	547,856	1.7%	560,002	681,249	790,089	1.8%	1.8%

Notes:

(a) Low-growth population estimates for 2029 are based on the average annual growth rate in each area between 2000 and 2009, as reported by Claritas. Thus, estimates assume a continued low rate of growth.

(b) High-growth population estimates are based on the average annual growth rate of the Alamance, Durham, Orange Tri-County region, as reported by the OSBM.

Sources: Claritas, 2009; Office of State Budget and Management, 2009; DCRP, PLAN 773, 2009.

Existing Land Uses

The US 70/Cornelius Street corridor is characterized by single-family dwellings on large lots, interspersed with a handful of commercial retail businesses located mostly in detached buildings. Along this section of US 70 there are also many vacant and underutilized parcels that, if rezoned and consolidated, may provide significant opportunities for additional commercial and mixed residential development.

According to the US 70/Cornelius Street Corridor Strategic Plan there are approximately 12 active businesses along the corridor, including “a Laundromat, ABC store, barbershop, convenience store, and motel.” Of the 21 vacant parcels, only 12 are zoned for commercial uses. Town staff, however, have voiced support for potential rezoning of parcels, given appropriate development proposals. Overall, vacant and existing commercial properties are grouped close together, allowing for easier coordination between existing businesses and new commercial development.

Nearly all of the 30 existing parcels zoned for commercial use were labeled as “Ready for Development” in the corridor plan. There are some significant topographic challenges to development on lots along the eastern portion of the corridor near the corner of Cornelius Street and Hill Road. These 13 parcels have a steep grade within 30 feet of the front property line. Utilizing an analysis of development potential of parcels from the 2007 Corridor Plan, topographic challenges and the presence of existing development leaves roughly 35 parcels and a total of 17.7 acres of land ready for redevelopment. An additional four acres are available for redevelopment with significant improvements necessary.

Land uses along the eastern portion of the corridor, outside the immediate study area, are similar to those West of Churton Street. The non-residential properties include a motel, auto supply store and a church. In this area there is a slightly greater concentration of commercial and retail space compared to the western portion of the corridor, but nothing very substantial. Two large cemeteries use up most of the available parcel space immediately to the east of Churton Street. Even further east there is additional residential development; a church on the north side of US 70 between Orange High and Gwen Road; retail on the northeast corner of Miller Road; a shopping center on the north side of US 70 between Scottswood Boulevard and St. Mary’s Road; and a convenience store and tire shop at the intersection with St. Mary’s Road.

Current Real Estate Market Conditions

To assess existing real estate market conditions along the US 70/Cornelius Street Corridor and throughout the Town of Hillsborough, the project team and Town staff conducted a group interview session with three prominent local real estate brokers and developers. One unique outcome of these interviews was the acknowledgment that the historic aversion to large scale

commercial development in the region has resulted in a local and regional tax base that is heavily reliant on residential property values. Thus, interviewees showed an eagerness to promote additional sales tax generating uses within the Hillsborough downtown, along the US 70 corridor, and in the commercial district south of the Eno River.

Retail

Retail space in Hillsborough is largely concentrated in the downtown and along the Church Street/State Highway 1009 corridor south of the Eno River and north of I-85. According to brokers, retail in the downtown has remained relatively strong, despite recessionary pressures. Approximately ten years ago most of what is now retail in downtown Hillsborough was occupied by first floor office suites. Since that time, local activism and the efforts of local real estate professionals have successfully attracted retail establishments that now constitute one of Hillsborough's main attractions. South of the river, retail remains relatively healthy, except for the Daniel Boone Shopping Center which has historically experienced frequent turnover. Overall vacancy in the local market was estimated in the low teens. This is in contrast to figures published by NAI Carolantic that suggest a 2008 shopping center vacancy rate of only four percent.³ However, the only apparent vacancies in the downtown are the former government buildings along Church Street. Lease rates for retail space reportedly range between \$18 and \$22 per square foot, per year; or \$1.50 to \$1.83 per square foot, per month. This is a significant change from a few years ago when spaces were attracting only \$14 per square foot, per year; or just over \$1.00 per square foot, per month.

Office

Office space in Hillsborough is reportedly exhibiting an elevated vacancy rate of roughly 20 percent. In comparison, CBRE reports an office vacancy rate of nearly 22 percent for the Triangle region, and over 17 percent for Orange County. Net absorption in Orange County and the Triangle region show a reported loss of 14,200 square feet, and 494,600 square feet, respectively, in the second quarter of 2009. This implies an increasing level of vacancy. Brokers reported lease rates for office space between \$10 and \$16 per square foot, per year; or \$0.83 to \$1.33 per square foot, per month. This is significantly lower than the County and regional averages of \$22.06 and \$20.55 per square foot, per year, respectively.⁴ These depressed lease rates emphasize that Hillsborough is a secondary destination in the market for office space.

Industrial and Flex

Similar to the office market, flex space is experiencing an elevated, but much more reasonable,

³ NAI Carolantic Realty. 2009 Triangle Commercial Real Estate Report. www.carolantic.com. Accessed: November 5, 2009.

⁴ CB Richard Ellis. MarketView: Raleigh/Durham, North Carolina – Office. www.cbre.com/research. Accessed: November 5, 2009.

vacancy rate of approximately 15 percent. Orange County exhibited a vacancy rate of around 16 percent during the second quarter of 2009, and the Triangle Region experienced a vacancy of nearly 20 percent.⁵ Thus, Orange County and Hillsborough, in particular, are fairing relatively well compared to the larger regional industrial real estate market. Brokers reported lease rates for light industrial warehouse space at around \$4 or \$5 per square foot per year with more adaptive flex space fetching between \$8 and \$9 per square foot per year, or around \$0.75 per square foot, per month. In Orange County, CBRE found an average lease rate of \$3.50 per square foot, per year for warehouse spaces and \$7.40 per square foot, per year for flex space. In the Triangle region they found an average lease rate of \$4.21 per square foot, per year for warehouse space and \$8.53 per square foot, per year for flex space.⁶

Land

There is a significant amount of developable land available for purchase in and around Hillsborough. Not only are there a large number of properties offering opportunities for redevelopment, but also a reasonable amount of greenfield land that, upon approval, could be developed for commercial uses. Sites that are anticipated for redevelopment include the Daniel Boone Shopping Center and the I-86 Truck Stop.

Utilizing Loopnet.com, the project team identified two parcels currently for sale in the Hillsborough market. The first is located off Meadowland Drive near Interstate-85 and includes 4.04 acres for a total asking price of \$395,000 or approximately \$97,772 per acre. The second property is similarly located along I-85 and Old Highway 86 and includes 9.65 acres for a total asking price of \$1,050,000 or around \$108,808 per acre. Considering that these properties are both located within close proximity to existing commercial developments along the interstate, property values are likely somewhat higher than those that could be achieved along the US 70 corridor. Furthermore, the availability of developable land in the south side commercial district and downtown areas will pose a challenge to development efforts in the historically less desirable Cornelius Street area. The Waterstone Economic Development District located to the east of the study area along US 70 may also provide options for developers interested in commercial and office development.

⁵ CB Richard Ellis. MarketView: Raleigh/Durham, North Carolina – Industrial. www.cbre.com/research. Accessed: November 5, 2009.

⁶ *Ibid.*

Health Services Assets and Opportunities

This section analyzes Hillsborough's health care service providers and explores two potential models for health care delivery that could serve as anchoring institutions for the Cornelius Street area. Health care services were first considered for the Cornelius Street corridor based on public input gathered for the US 70/Cornelius Street Task Force report. Residents expressed a desire for greater access to medical services, particularly urgent care and dialysis. Given the aging population of the town, health care could be a compatible use for Cornelius Street. Discussion with Town staff and local real estate brokers also identified health care offices and related services as desired uses, compatible with the many mixed land uses targeted for the corridor.

A health service center on Cornelius Street could encourage related or supportive development, such as other medical offices or suppliers, or the development of unrelated uses that would nonetheless meet the needs of future employees and current residents: for example, restaurants and retail. In either scenario, there would be an increase in services available to residents of the adjoining neighborhoods and the town as a whole. Development of this nature could also provide valuable employment opportunities for Hillsborough residents.

In order to fully assess the appropriateness of health services as a development strategy for Cornelius Street, the project team inventoried Hillsborough's existing health assets using information available from a number of sources and sites, including: the Hillsborough Chamber of Commerce; major area health care providers such as Duke Health, UNC Health Care and Piedmont Health; North Carolina's Department of Health and Human Services and its Center for Health Statistics; and several state and national directories of health care and service providers. County level data were also used to inform the asset mapping process. This is because in some cases, data is not available at a smaller disaggregated level. This was also done in recognition of the fact that as a small town, Hillsborough functions as part of a bigger region. The inventory was analyzed and used to produce an asset map.

What is an Asset Map?

An asset map is an inventory and analysis of resources and capacity within a certain industry or service cluster. Analyses such as these can be used to identify current strengths and critical gaps or shortfalls. From these insights, policy makers can develop recommendations on how to leverage existing assets toward the achievement of development goals. The North Carolina Community Health Assessment Initiative, a state-wide program, considers asset mapping as a critical step in the larger strategy aimed at bettering community health.

Identified Assets

Based on a representative – if not exhaustive – inventory of 81 health service providers, the project team discovered that Hillsborough’s health care providers are most greatly concentrated in:

- Dentistry (17 percent, or 14 providers);
- Psychiatry and psychology (15 percent, or 12 providers)
- General practice/family practice (11 percent, or 9 providers);
- Nursing homes, adult care and/or assisted living facilities (9 percent, or 7 providers).

Other notable assets located within Hillsborough include:

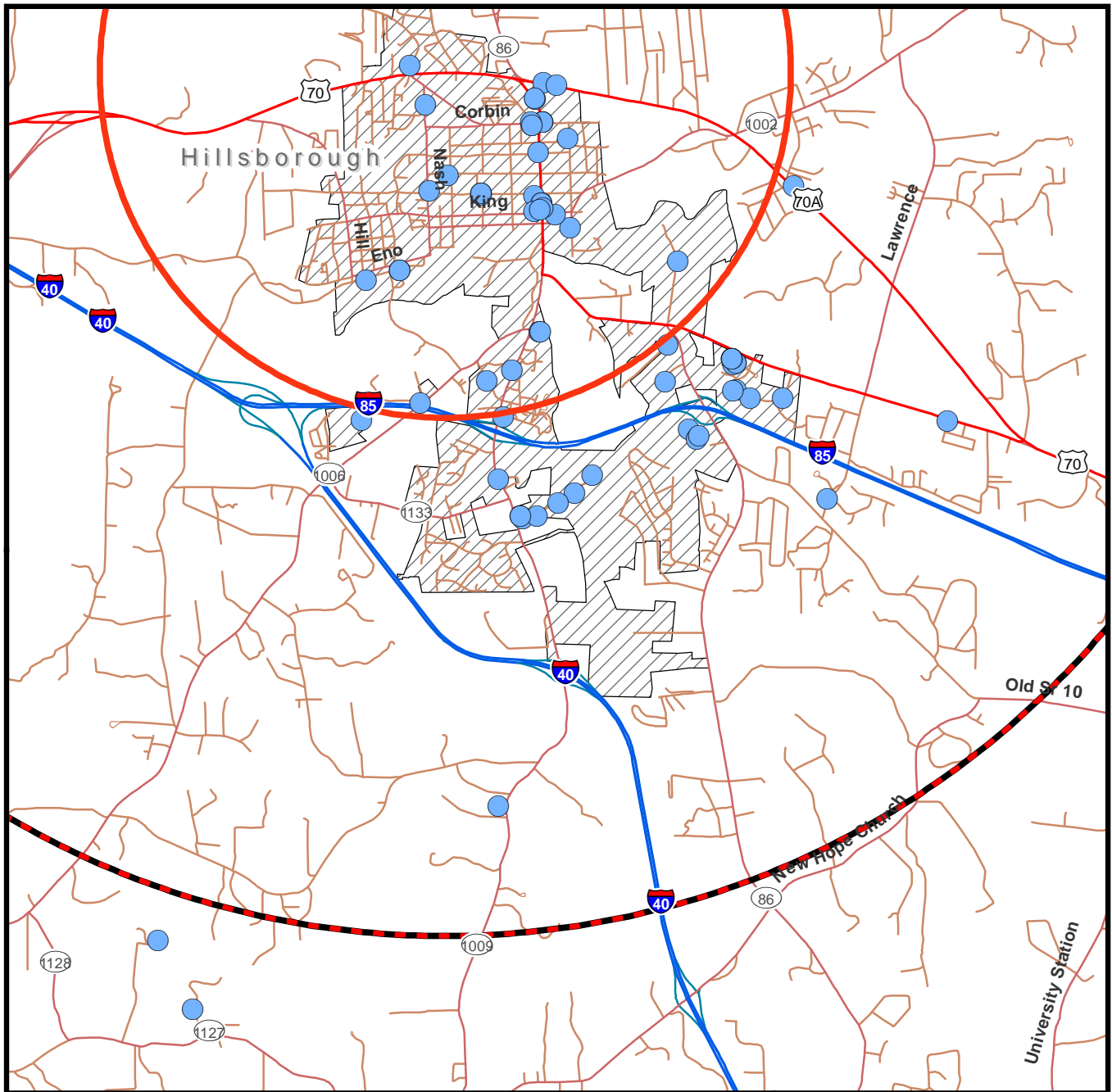
- The Orange County campus of Durham Technical College, which offers a comprehensive suite of career preparation courses and certificates in Health Technology professions (including registered and practical nursing, nurse assisting, dental lab technology, surgical technology, opticianry, pharmacy technology, and medical assisting);
- Orange County’s Richard L. Whitted Human Services Center, a public clinic that provides medical and dental services for adults and children;
- Orange County Departments of Health Social Services;
- Three home health care providers with offices in downtown Hillsborough;
- A hospice and community bereavement center operated by Duke Medicine, located on Corporate Drive; and
- Several advanced medical technology and equipment firms, including Data Spectrum Corporation, Monitor Instruments, Medtec, and Isotechnologies.

Assets located within near the Cornelius Street corridor are:

- The R&G Family Care Home, an adult day care center, located on Faucette Mill Road near the intersection with Cornelius Street;
- Corner Care Clinic, a minor care, walk-in clinic at Kerr Drug located near the intersection of Churton and Cornelius; and
- No less than five private practice physicians specializing in dentistry, chiropractic medicine, and podiatry.

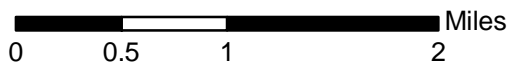
Finally, a UNC medical campus is slated for development within the Waterstone Economic Development District. This campus will include medical offices, and a 68-bed hospital. The hospital will include in-patient rooms, surgery, a pharmacy, laboratory facilities, occupational and physical therapy, and emergency care. This development is scheduled to be completed in 2014. Its

Figure 3: Hillborough Health Service Provider Locations



Legend

- Health Provider Locations
- 2-Mile Buffer
- 5-Mile Buffer
- Census Designated Place
- County Boundary



Sources: U.S. Census Bureau, 2009; ESRI, 2009; DCRP, PLAN 773, 2009.

completion will represent an infusion of services and employment opportunities for Hillsborough residents.

Occupational Concentrations

Another way to understand Hillsborough’s health assets is to assess which medical professions are best represented in the workforce. This data is available through the North Carolina State Center for Health Statistics, but only at the county level. These occupations are listed in Table 11 below.

Orange County boasts a greater concentration of almost all types of health professionals per 10,000 in population than the state as a whole, as well as its peer counties, established by the North Carolina State Center for Health Statistics as Chatham, Johnston and Rockingham counties⁷. In some cases, Orange County exceeds its peers and the state by two to four times. These occupations are listed in Table 13. Undoubtedly, these high concentrations are attributable, at least in part, to the UNC hospitals and health facilities located mostly in Chapel Hill. Nevertheless, these professionals are assets to Orange County and potential assets for Hillsborough for any future health care-related development.

Table 11: Health Professionals Per 10,000 Residents, 2009

Health Occupation	Orange County	Peer Counties (a)	State
Dental Hygienists	7.8	4.9	5.4
Dentists	11.5	2.4	4.4
Nurse Practitioners	11.1	1.5	3
Pharmacists	19.6	6.9	9
Physical Therapists	13.6	2	4.6
Physicians	86.9	8.6	20.8
Primary Care Physicians	31.7	5.2	9
Psychologists	17.2	0.4	2
Registered Nurses	228.2	44.1	94.4
Respiratory Therapists	8.8	2	4.1

Note:

(a) Peer counties are defined by the North Carolina State Center for Health Statistics and include Chatham, Johnston, and Rockingham Counties.

Sources: North Carolina State Center for Health Statistics, NC-CATCH System, 2009; DCRP, PLAN 773, 2009.

⁷ North Carolina State Center for Health Statistics, Comprehensive Assessment of Tracking Community Health (NC-CATCH) System. Report for Orange County retrieved on November 22, 2009 from <http://www.ncpublichealthcatch.com/ReportPortal/login.aspx?passthrough=1>.

Licensed practical nurses are the only health profession for which Orange County is underrepresented when compared to its peer counties and the state: Orange County has 15.4 licensed practical nurses per 10,000 compared to 15.4 and 19.8 for peer counties and the state, respectively. This may represent an occupational gap for the county and the town of Hillsborough, or a high-demand profession that could represent potential employment opportunities for area residents. Further research could determine what is considered to be a desirable or sustainable ratio of licensed practical nurses to general population, and what the outlook for the occupation is.

Models for Health Care Delivery

Community Health Centers

Community Health Centers (CHCs) are recognized by the U.S. Department of Health and Human Services' Health Services and Resource Administration (HRSA) as community-based, patient-directed organizations with a specific mission to serve populations and communities with limited access to health care. CHCs, also known as Federally Qualified Health Centers (FQHCs), are private or public tax-exempt organizations recognized by the HRSA as meeting the following requirements:

- Location in, or service of, a high-need community, designated as a Medically Underserved Area or Population (MUAs and MUPs) by the HRSA;
- Eligibility for funding under Section 330 of the Public Health Service Act.
- Compliance with performance and accountability measures defined by HRSA;
- Governance by a board of directors made up of patients and their representatives;
- Provision of comprehensive health services, and enabling, or supportive, services (including transportation, translation and education); and
- A fee structure based on the patients' ability to pay;

This model of health care delivery has been at work in the United States for over 40 years and is generally recognized as providing low-cost health service delivery to Medicare, Medicaid and uninsured patients. For example, the average cost of an emergency room visit is \$560 while the cost of treating one CHC patient for a year is \$392.⁸ By providing a comprehensive set of medical and dental services—including preventative, primary, diagnostic and emergency services—CHCs reduce the burden placed on the public health system by uninsured residents utilizing emergency rooms for primary care services. Furthermore, through their support service functions, CHCs expand access to insurance by helping eligible patients enroll in Medicaid and other public

⁸ North Carolina Community Health Center Association. 2009. FQHC Economic Fact Sheet. Retrieved on November 29, 2009 from <http://www.ncchca.org/238733.ihtml>.

assistance programs.⁹

Nationwide, health centers serve people of all ages, races, ethnicities and levels of need. In North Carolina, there are more than 120 community health and dental centers, operated by 26 organizations and employing nearly 1,900 full-time medical and administrative staff.¹⁰ In 2007, the centers served 380,798 patients. Of these, 51 percent were uninsured, 20 percent were on Medicaid, and 11 percent were on Medicare. Patients age 65 and over accounted for 9 percent of total visits while children under the age of 12 and women ages 15-44 accounted for 19 and 27 percent respectively.¹¹

CHCs are operated by organizations eligible to receive funding from HRSA. Of the many located within North Carolina's Triangle region, only Piedmont Health, headquartered in Carrboro, North Carolina, provides services in Orange County. See Table 12 below for a list of CHC operators located in the Triangle area

Table 12: Triangle Area Health Provider Organizations, 2009

<u>Provider Organization</u>	<u>Locations</u>
Piedmont Health Services, Inc.	Carrboro; Moncure; Burlington (2 sites); Siler City; Prospect Hill
Person Family Medical Center, Inc.	Roxboro
Wake Health Services	Raleigh (5 sites); Apex; Franklin County; Fuquay-Varina
Lincoln Community Health Center, Inc.	Durham (6 sites)
First Choice Community Health Services	Angier

Source: DCRP, PLAN 773, 2009.

Piedmont Health and Orange County CHCs

Based on a November 10th interview with Brian Toomey, CEO of Piedmont Health, supplemented with online research, the following section outlines the typical characteristics of CHCs in Orange County. Established in 1970, Piedmont Health currently operates six CHCs and one senior care facility in Orange, Caswell, Chatham, and Alamance counties.

Ranging in total floor area from 6,000 to 15,000 square feet, the average CHC operated by Piedmont Health is roughly 10,000 square feet. Typically, facilities have a minimum of 9 exam

⁹ U.S. Department of Health and Human Services Health Resources and Services Administration. The Health Center Program: Benefits. Accessed on November 28, 2009 at <http://bphc.hrsa.gov/about/benefits.htm>.

¹⁰ Ibid.

¹¹ U.S. Department of Health and Human Services Health Resources and Services Administration. 2007. Uniform Data System, State-by-State reports: North Carolina. Retrieved on November 29, 2009 from <http://bphc.hrsa.gov/uds/2007data/northcarolina/sitesummary.htm>

rooms averaging 100 square feet each, plus waiting rooms, nursing stations, and laboratory and pharmacy space. Most CHCs employ from 20 to 22 full-time equivalent staff including at least three primary care doctors, a minimum of nine support staff (three per doctor), and additional pharmacy staff. Facilities are open a minimum of 40 hours per week, with half of Piedmont Health's locations offering Saturday hours. Construction costs typically run between \$118-\$135 per square foot, or roughly \$700,000 to \$2,000,000 per facility. CHC construction is usually funded through a combination of federal Grants and USDA loan funds.

Federal statute requires that CHCs provide the following services, at a minimum:

- Primary medical care;
- Diagnostic laboratory and radiological services;
- Preventive services including prenatal, perinatal and child services;
- Cancer and other disease screening;
- Immunizations;
- Screening for elevated blood lead levels, communicable diseases and cholesterol;
- Eye, ear and dental screening for children;
- Family planning services;
- Preventive dental services;
- Emergency medical and dental services; and
- Pharmaceutical services.

Other services, such as WIC and services for migrant populations, are provided based on specific community needs.

Certified Need

According to Mr. Toomey and the HRSA, CHCs can only be established in areas with a certified shortage of personal health care services, and/or significant barriers to access. Medically Underserved Areas (MUAs) are counties or county subdivisions in which residents have a shortage of personal health services. Medically Underserved Populations (MUPs) include groups of persons who face economic, cultural or linguistic barriers to health care. Criteria for certification as an MUA and MUP are based the Index of Medical Underservice (IMU) calculated on a scale of 0 to 100, where scores of 62 and under qualifying as MUAs or MUPs. The IMU index score considers:

- 1) The ratio of primary medical care physicians per 1,000 population;
- 2) Infant mortality rate;
- 3) Percentage of population with incomes below the poverty level; and
- 4) The percentage of the population age 65 and over.

Additional information on how the HRSA calculates IMU can also be found at <http://bhpr.hrsa.gov/shortage/muaguide.htm>. The North Carolina Community Health Care Association (NCCHCA) also provides consultation and technical assistance to communities and organizations interested in establishing a CHC. NCCHCA resources can be obtained at <http://www.ncchca.org/179591.ihtml>. In 2008, there were 61 PACE programs in 29 states.

Program of All-Inclusive Care for the Elderly (PACE)

Piedmont Health also operates an elder-care facility in Burlington, North Carolina, following the Program of All-Inclusive Care for the Elderly (PACE) model of service provision. The PACE model, first piloted in San Francisco in the 1970s, is based on the idea of “aging in place”; or, providing the elderly with primary, preventive, acute and long-term health care in their own communities. This model is suitable for individuals judged able to live safely in the community, contingent upon receiving services from the PACE program.

PACE patients are cared for by and according to a plan devised by an integrated team of service providers that must include one each of the following:

- Primary Care Physician;
- Registered Nurse;
- Masters-Level Social Worker;
- Physical Therapist;
- Occupational Therapist;
- Dietitian;
- Recreational Therapist or Activity Coordinator;
- PACE Center Manager;
- Home Care Coordinator;
- Personal Care Attendant; and
- Van Driver.

Services can be provided at home, or at a dedicated PACE day center. PACE facilities can be incorporated into dedicated elderly care facilities, adult day care centers, community centers, or another medical facility. Day centers include a health clinic with an on-site physician and nurse practitioner, physical and occupational therapy facilities, and at least one room for social or recreational activities. Transportation is provided to and from the center and other medical appointments.

Establishing a PACE Program

As of December 2008, Piedmont Health was one of only two organizations in North Carolina operating on the PACE model. Similar to CHCs, PACE sites must be sponsored by existing organizations and can be combined with existing facilities. Common partners include community health centers, non-profit agencies, long-term care providers, hospitals, and state or county agencies.

Establishing a new location requires an application for Federal funding, and certification of need. Key measures/requirements of need certification include:

- 1) The number eligible patients within a 40-minute driving of the care facility;
- 2) The involvement of physicians in providing program design input and outreach to the medical community; and
- 3) Support by an organization or provider capable of assuming start-up costs and financial risk.¹²

Complete applications detail the organizational, governance and financial structures, and capacity of both the sponsoring organization and proposed program. Applications are also required to provide marketing plans, service delivery plans, and descriptions of the proposed facility. It is important to note that existing PACE programs can establish satellite locations without submitting a full application.

Additional information on the PACE application process can also be found at <http://www.npaonline.org/website/download.asp?id=2806>. PACE Technical Assistance Centers also provide consultative services to facilitate successful applications. Additional information regarding these services can be found at <http://www.npaonline.org/website/download.asp?id=746>.

The Division of Medical Assistance of the North Carolina Department of Health and Human Services is the agency responsible for overseeing PACE programs in North Carolina. More information can be found at <http://www.dhhs.state.nc.us/dma/services/pace.htm>.

Workforce Development Potential

As was described earlier, community health centers provide preventive and primary health care services, as well as job opportunities for health care professionals. CHCs are staffed by physicians, dentists, dental technicians, nurses, medical assistants, and other administrative staff. The Durham Technical Community College provides multiple career tracks in their Health Technologies career

¹² Center for Medicare Education. 2001. The PACE Model. Issue Brief: Volume 2, Number 10. Retrieved on November 29, 2009 from <http://www.npaonline.org/website/download.asp?id=743>

cluster that may provide potential avenues for employment with local health service providers, including any future health care-related developments. Partnership with Durham Tech could offer new higher-paying employment opportunities to area residents if the Town of Hillsborough decides to facilitate the establishment of a CHC or PACE facility along the US 70 corridor or elsewhere in the community.

The following table shows the average national and state wages for an assortment of common health care occupations, training for which Durham Tech offers:

Table 13: Health Care Occupational Wages, State and Nation, 2009		
Occupation	Average Annual Wage	
	State	National
Dentist Lab Technician	\$33,100	\$34,170
Dental Assistans	\$34,400	\$32,380
Medical Assistant	\$27,700	\$28,300
Pharmacy Technician	\$25,300	\$27,710
Health Information Technicians	\$27,500	\$30,610
Laboratory Technologists	\$35,300	\$35,380
Medical Secretary	\$27,500	\$29,680

Sources: O*Net Online, 2009; DCRP, PLAN 773, 2009.

As the table shows, the occupations listed all pay an average annual wage greater than \$26,000 per year. As the demographic data in the previous section illustrated, a third of the population within a 2-mile radius of the corridor makes less than \$35,000 per year and one-quarter of the population making less than \$25,000 per year. While an individual community health center could provide up to 20 jobs, the combination of a community health center and the incoming UNC hospital offer many opportunities for well-paying employment. Thus, Hillsborough, in conjunction with Durham Tech, has an opportunity to provide residents with the skills necessary to staff future facilities, which will also provide essential services to Hillsborough residents.

Retail Market Analysis and Development Impacts

Economists define “leakage” as the amount of money local area residents spend outside of their community. By contrast, “injection” is the amount of money residents from outside the area are spending in the local community. The following analysis identifies opportunities for additional retail development capacity that may be targeted for implementation along the US 70/Cornelius Street corridor. This is done by highlighting retail store categories with insufficient local supply to meet local demand. Tables 14 through 19 identify leakage and injection within the 2-, 5-, and 10-mile radii, and translate this excess demand into development capacity, expressed as the total additional square feet of retail space that could be supported given existing demand. These figures are then analyzed in terms of potential business and job generating impacts. Lastly, Tables 20 and 21 estimate potential sales tax revenue that could be generated through capture of existing retail leakage and projected future retail demand.

Retail Leakage/Injection Analysis

Overall, the two-mile radius exhibits a total leakage of over \$16.7 million dollars. The largest areas of leakage include Automobile and Other Vehicle Dealers, Gasoline Stations, Health and Personal Care Stores, Clothing and Clothing Accessory Stores, and Electronics and Appliance Stores. By contrast, these areas of leakage are largely offset by over \$45.5 million of injection in the remaining retail categories. The largest injections are in Non-Store retailing, Food and Beverage Stores, Building Materials and Garden Equipment Stores, General Merchandise Stores, and Furniture and Home Furnishing Stores. Thus, the total balance of trade in the area equals a net gain of roughly \$28.8 million dollars.

Interestingly, data show that there is a tremendous drop in retail trade surpluses exhibited within the 5- and 10-mile radii. As shown in Table 14, total retail trade surplus drops from nearly \$29 million in the two-mile radius, to only \$1.7 million in the five-mile radius, to a retail trade deficit of over \$562 million in the 10-mile radius. This data reinforces what is largely understood in the community; that as a whole Orange County reflects a net leakage of retail sales, and the sales tax they generate. What is surprising is the Town’s relatively strong position as a commercial hub of northern Orange County, serving the existing Town residents, as well as rural households from around the area.

Additional Supportable Retail Development

To translate retail sales figures into estimates of additional supportable retail square feet, the project team utilized average sales per square foot data collected by the Urban Land Institute through a national survey of retail establishments. Including a 14 percent adjustment for non-retail establishments (i.e. business and personal services) and a 10 percent adjustment to reflect healthy

retail vacancy levels, the two-mile radius could potentially absorb an estimated 23,200 square feet of assorted retail space at current demand levels. This includes nearly 12,700 square feet in Clothing and Clothing Accessories, 7,200 square feet in Health and Personal Care Stores, and 3,300 square feet in Electronics and Appliance Stores.

Of special note is the estimated demand capacity for an additional 250,000 square feet of retail space within the five-mile radius, and over 1.8 millions square feet in the ten-mile radius. More specifically, our figures indicate that in the five-mile radius there is sufficient capacity for an additional 98,400 square feet in General Merchandise Stores, 52,200 square feet in Clothing and Clothing Accessories, 42,000 square feet in Foodservice and Drinking Places, 35,000 square feet in Health and Personal Care Stores, 20,260 square feet in Electronics and Appliance Stores, and 4,000 square feet in the Automotive Supply Stores category. This sizable demand capacity could represent significant opportunities for the U.S. 70 corridor to capture retail sales from throughout the greater Hillsborough area.

Projected Future Retail Demand

To facilitate long-term planning, the project team utilized regional population growth projections to develop estimates of future retail demand. Shown in Table 13, low-growth estimates assume that population growth will continue at rates similar to those experienced since 2000. High-growth estimates assume the projected 2029 tri-county regional population growth rate, defined as Alamance, Durham, and Orange Counties, using data reported by the Office of State Budget and Management. Based on these figures, the estimated increase in retail demand by 2029 within the two-mile radius is between \$66.6 and \$98.2 million. Translating these figures to square feet, the total projected development capacity within the two-mile radius is between 226,000 and 333,000 square feet of retail, including a 14 percent non-retail adjustment and 10 percent vacancy adjustment.

The retail categories projected to experience the largest growth include general merchandise stores with between \$12 million and \$18 million in retail sales, and 49,000 to 72,000 additional square feet of development. Food and beverage stores have the second highest projected demand, also with between \$12 million and \$18 million in retail sales, and 29,000 to 42,000 square feet of potential development. The building materials and garden equipment stores category shows an estimated increase in demand of nearly \$10 million to more than \$14 million in retail sales, and between 23,000 and 34,000 square feet of development.

Table 14: Existing Retail Leakage Analysis, 2009 (Page 1 of 2)

Retail Category	Estimated Total Consumer Expenditures (Demand)	Estimated Per Capita Expenditures	Estimated Retail Sales (Supply)	Retail Sales (Leakage)/Injection
Two Mile Radius (a)				
Automotive Supply Stores	\$1,321,735	\$217	\$2,383,449	\$1,061,714
Furniture & Home Furnishings Stores	\$1,909,181	\$313	\$5,128,404	\$3,219,223
Electronics & Appliances Stores	\$2,139,498	\$351	\$748,237	(\$1,391,261)
Building Material, Garden Equip Stores	\$9,961,861	\$1,635	\$15,618,886	\$5,657,025
Food & Beverage Stores	\$12,300,762	\$2,019	\$27,692,916	\$15,392,154
Health & Personal Care Stores	\$5,828,406	\$957	\$3,207,312	(\$2,621,094)
Clothing & Clothing Accessories Stores	\$4,059,549	\$666	\$1,286,285	(\$2,773,264)
Sporting Gds, Hobby, Book, Music Stores	\$1,681,073	\$276	\$2,289,963	\$608,890
General Merchandise Stores	\$12,328,777	\$2,023	\$15,606,670	\$3,277,893
Miscellaneous Store Retailers	\$2,102,188	\$345	\$2,348,751	\$246,563
Non-Store Retailers	\$5,945,875	\$976	\$21,426,560	\$15,480,685
Foodservice & Drinking Places	\$8,546,774	\$1,403	\$9,115,231	\$568,457
Auto and Other Vehicle Dealers (b)	\$12,768,313	\$2,096	\$5,975,871	(\$6,792,442)
Gasoline Stations	\$10,736,631	\$1,762	\$7,553,467	(\$3,183,164)
Total for all Categories with Leakage	\$56,098,226		\$101,610,830	(\$16,761,225)
Balance of Trade	\$91,630,623		\$120,382,002	\$28,751,379
Five Mile Radius (a)				
Automotive Supply Stores	\$4,370,457	\$231	\$3,777,550	(\$592,907)
Furniture & Home Furnishings Stores	\$6,432,410	\$340	\$7,873,072	\$1,440,662
Electronics & Appliances Stores	\$7,205,633	\$381	\$2,893,346	(\$4,312,287)
Building Material, Garden Equip Stores	\$34,031,623	\$1,798	\$53,633,618	\$19,601,995
Food & Beverage Stores	\$39,428,978	\$2,083	\$40,783,422	\$1,354,444
Health & Personal Care Stores	\$17,935,654	\$947	\$5,123,406	(\$12,812,248)
Clothing & Clothing Accessories Stores	\$13,520,214	\$714	\$2,089,703	(\$11,430,511)
Sporting Gds, Hobby, Book, Music Stores	\$5,773,908	\$305	\$6,078,474	\$304,566
General Merchandise Stores	\$40,402,686	\$2,134	\$21,639,881	(\$18,762,805)
Miscellaneous Store Retailers	\$7,098,387	\$375	\$4,823,483	(\$2,274,904)
Non-Store Retailers	\$19,511,659	\$1,031	\$98,821,174	\$79,309,515
Foodservice & Drinking Places	\$28,744,303	\$1,518	\$15,142,883	(\$13,601,420)
Auto and Other Vehicle Dealers (b)	\$42,778,609	\$2,260	\$13,512,228	(\$29,266,381)
Gasoline Stations	\$34,993,001	\$1,849	\$27,723,520	(\$7,269,481)
Total for all Categories with Leakage	\$105,178,578		\$207,189,760	(\$100,322,944)
Balance of Trade	\$302,227,522		\$303,915,760	\$1,688,238
Ten Mile Radius (a)				
Automotive Supply Stores	\$19,646,451	\$243	\$6,896,212	(\$12,750,239)
Furniture & Home Furnishings Stores	\$31,654,069	\$392	\$26,911,385	(\$4,742,684)
Electronics & Appliances Stores	\$34,406,838	\$426	\$8,703,804	(\$25,703,034)
Building Material, Garden Equip Stores	\$160,407,443	\$1,986	\$129,130,922	(\$31,276,521)
Food & Beverage Stores	\$176,207,285	\$2,182	\$129,709,630	(\$46,497,655)
Health & Personal Care Stores	\$80,470,889	\$997	\$31,325,869	(\$49,145,020)
Clothing & Clothing Accessories Stores	\$64,867,151	\$803	\$7,261,798	(\$57,605,353)
Sporting Gds, Hobby, Book, Music Stores	\$28,435,911	\$352	\$13,599,301	(\$14,836,610)
General Merchandise Stores	\$187,506,546	\$2,322	\$65,887,651	(\$121,618,895)
Miscellaneous Store Retailers	\$32,955,441	\$408	\$10,708,447	(\$22,246,994)
Non-Store Retailers	\$91,315,243	\$1,131	\$127,756,698	\$36,441,455
Foodservice & Drinking Places	\$134,674,518	\$1,668	\$68,222,521	(\$66,451,997)
Auto and Other Vehicle Dealers (b)	\$204,243,214	\$2,529	\$62,030,545	(\$142,212,669)
Gasoline Stations	\$153,981,955	\$1,907	\$150,480,303	(\$3,501,652)
Total for all Categories with Leakage	\$91,315,243		\$127,756,698	(\$598,589,323)
Balance of Trade	\$1,400,772,954		\$838,625,086	(\$562,147,868)

Table 14: Existing Retail Leakage Analysis, 2009 (Page 2 of 2)

Notes:

- (a) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.
- (b) Includes auto and other motor vehicles.

Sources: Claritas, 2009; DCRP, PLAN 773, 2009.

Table 15: Existing Additional Supportable Retail Square Feet, 2009

Retail Category (a)	Retail Sales (Leakage)/Injection	Estimated Sales Per Square Foot	Additional Supportable Square Feet	Non-Retail Adjustment (b)	Total Supportable Square Feet (c)
Two Mile Radius (d)					
Automotive Supply Stores	\$1,061,714	\$189	0	0	0
Furniture & Home Furnishings Stores	\$3,219,223	\$361	0	0	0
Electronics & Appliances Stores	(\$1,391,261)	\$543	2,562	2,979	3,310
Building Material, Garden Equip Stores	\$5,657,025	\$425	0	0	0
Food & Beverage Stores	\$15,392,154	\$420	0	0	0
Health & Personal Care Stores	(\$2,621,094)	\$470	5,581	6,489	7,210
Clothing & Clothing Accessories Stores	(\$2,773,264)	\$283	9,804	11,400	12,667
Sporting Gds, Hobby, Book, Music Stores	\$608,890	\$242	0	0	0
General Merchandise Stores	\$3,277,893	\$246	0	0	0
Miscellaneous Store Retailers	\$246,563	\$372	0	0	0
Non-Store Retailers	\$15,480,685	n.a.	n.a.	n.a.	n.a.
Foodservice & Drinking Places	\$568,457	\$418	0	0	0
Total for all Categories with Leakage	(\$6,785,619)		17,947	20,869	23,187
Five Mile Radius (d)					
Automotive Supply Stores	(\$592,907)	\$189	3,133	3,643	4,047
Furniture & Home Furnishings Stores	\$1,440,662	\$361	0	0	0
Electronics & Appliances Stores	(\$4,312,287)	\$543	7,942	9,234	10,260
Building Material, Garden Equip Stores	\$19,601,995	\$425	0	0	0
Food & Beverage Stores	\$1,354,444	\$420	0	0	0
Health & Personal Care Stores	(\$12,812,248)	\$470	27,279	31,719	35,244
Clothing & Clothing Accessories Stores	(\$11,430,511)	\$283	40,410	46,989	52,210
Sporting Gds, Hobby, Book, Music Stores	\$304,566	\$242	0	0	0
General Merchandise Stores	(\$18,762,805)	\$246	76,180	88,581	98,423
Miscellaneous Store Retailers	(\$2,274,904)	\$372	6,115	7,110	7,901
Non-Store Retailers	\$79,309,515	n.a.	n.a.	n.a.	n.a.
Foodservice & Drinking Places	(\$13,601,420)	\$418	32,549	37,848	42,053
Total for all Categories with Leakage	(\$63,787,082)		193,607	225,124	250,138
Ten Mile Radius (d)					
Automotive Supply Stores	(\$12,750,239)	\$189	67,367	78,334	87,037
Furniture & Home Furnishings Stores	(\$4,742,684)	\$361	13,129	15,266	16,962
Electronics & Appliances Stores	(\$25,703,034)	\$543	47,335	55,041	61,157
Building Material, Garden Equip Stores	(\$31,276,521)	\$425	73,516	85,484	94,982
Food & Beverage Stores	(\$46,497,655)	\$420	110,804	128,842	143,158
Health & Personal Care Stores	(\$49,145,020)	\$470	104,634	121,668	135,187
Clothing & Clothing Accessories Stores	(\$57,605,353)	\$283	203,652	236,805	263,116
Sporting Gds, Hobby, Book, Music Stores	(\$14,836,610)	\$242	61,365	71,355	79,283
General Merchandise Stores	(\$121,618,895)	\$246	493,790	574,174	637,971
Miscellaneous Store Retailers	(\$22,246,994)	\$372	59,800	69,535	77,262
Non-Store Retailers	\$36,441,455	n.a.	n.a.	n.a.	n.a.
Foodservice & Drinking Places	(\$66,451,997)	\$418	159,025	184,913	205,459
Total for all Categories with Leakage	(\$452,875,002)		1,394,417	1,621,416	1,801,573

Notes:

- (a) Since Auto and Other Vehicle Dealers, and Gasoline Stations utilize per acre sales data, they have been excluded from this portion of the analysis.
- (b) Adjustment to account for an additional 14 percent for non-retail outlets (business and personal services).
- (c) Includes adjustment to account for a ten percent vacancy allowance.
- (d) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers, 2007; Claritas, 2009; DCRP, PLAN 773, 2009.

Table 16: Projected Increase in Retail Demand, 2010 - 2029 (a) (Page 1 of 2)

Retail Category (b)	Estimated Per Capita Expenditures 2009	Additional Retail Demand 2029 (Dollars)		Additional Retail Space Demand 2029 (Square Feet)	
		Low Est. (c)	High Est. (d)	Low Est.	High Est.
Two Mile Radius					
Automotive Supply Stores	\$217	\$1,291,864	\$1,906,136	6,826	10,071
Furniture & Home Furnishings Stores	\$313	\$1,866,034	\$2,753,320	5,166	7,622
Electronics & Appliances Stores	\$351	\$2,091,146	\$3,085,471	3,851	5,682
Building Material, Garden Equip Stores	\$1,635	\$9,736,724	\$14,366,470	22,886	33,769
Food & Beverage Stores	\$2,019	\$12,022,766	\$17,739,510	28,650	42,273
Health & Personal Care Stores	\$957	\$5,696,685	\$8,405,419	12,129	17,896
Clothing & Clothing Accessories Stores	\$666	\$3,967,804	\$5,854,467	14,027	20,697
Sporting Gds, Hobby, Book, Music Stores	\$276	\$1,643,081	\$2,424,355	6,796	10,027
General Merchandise Stores	\$2,023	\$12,050,148	\$17,779,911	48,925	72,189
Miscellaneous Store Retailers	\$345	\$2,054,679	\$3,031,665	5,523	8,149
Non-Store Retailers	\$976	\$5,811,499	\$8,574,827	0	0
Foodservice & Drinking Places	\$1,403	\$8,353,618	\$12,325,706	19,991	29,496
Total Projected Demand Increase		\$66,586,044	\$98,247,258	174,770	257,872
w/ 14% non-retail adjustment (square feet) (e)				203,221	299,851
w/ 10% vacancy adjustment (square feet) (f)				225,801	333,168
Five Mile Radius					
Automotive Supply Stores	\$231	\$4,922,728	\$6,302,842	26,010	33,302
Furniture & Home Furnishings Stores	\$340	\$7,245,239	\$9,276,482	20,056	25,679
Electronics & Appliances Stores	\$381	\$8,116,170	\$10,391,584	14,947	19,137
Building Material, Garden Equip Stores	\$1,798	\$38,332,017	\$49,078,610	90,100	115,360
Food & Beverage Stores	\$2,083	\$44,411,407	\$56,862,390	105,832	135,503
Health & Personal Care Stores	\$947	\$20,202,087	\$25,865,853	43,012	55,071
Clothing & Clothing Accessories Stores	\$714	\$15,228,691	\$19,498,139	53,838	68,932
Sporting Gds, Hobby, Book, Music Stores	\$305	\$6,503,526	\$8,326,825	26,899	34,440
General Merchandise Stores	\$2,134	\$45,508,158	\$58,266,621	184,769	236,571
Miscellaneous Store Retailers	\$375	\$7,995,372	\$10,236,919	21,492	27,517
Non-Store Retailers	\$1,031	\$21,977,243	\$28,138,685	0	0
Foodservice & Drinking Places	\$1,518	\$32,376,567	\$41,453,516	77,480	99,202
Total Projected Demand Increase		\$252,819,207	\$323,698,466	664,435	850,714
w/ 14% non-retail adjustment (square feet) (e)				772,599	989,202
w/ 10% vacancy adjustment (square feet) (f)				858,444	1,099,113
Ten Mile Radius					
Automotive Supply Stores	\$243	\$25,616,884	\$28,333,074	135,349	149,700
Furniture & Home Furnishings Stores	\$392	\$41,273,541	\$45,649,827	114,253	126,368
Electronics & Appliances Stores	\$426	\$44,862,859	\$49,619,725	82,620	91,381
Building Material, Garden Equip Stores	\$1,986	\$209,154,255	\$231,331,146	491,622	543,749
Food & Beverage Stores	\$2,182	\$229,755,569	\$254,116,844	547,508	605,561
Health & Personal Care Stores	\$997	\$104,925,485	\$116,050,868	223,396	247,083
Clothing & Clothing Accessories Stores	\$803	\$84,579,870	\$93,547,981	299,015	330,720
Sporting Gds, Hobby, Book, Music Stores	\$352	\$37,077,405	\$41,008,770	153,354	169,615
General Merchandise Stores	\$2,322	\$244,488,605	\$270,412,042	992,657	1,097,910
Miscellaneous Store Retailers	\$408	\$42,970,392	\$47,526,597	115,505	127,753
Non-Store Retailers	\$1,131	\$119,065,370	\$131,690,023	0	0
Foodservice & Drinking Places	\$1,668	\$175,601,256	\$194,220,480	420,228	464,785
Total Projected Demand Increase		\$1,359,371,492	\$1,503,507,376	3,575,509	3,954,624
w/ 14% non-retail adjustment (square feet) (e)				4,157,568	4,598,400
w/ 10% vacancy adjustment (square feet) (f)				4,619,520	5,109,334

Sources: Claritas, 2009; Office of State Budget and Management, 2009; Urban Land Institute, Dollars and Centers of Shopping Centers, 2007; DCRP, PLAN 773, 2009.

Table 16: Projected Increase in Retail Demand, 2010 - 2029 (a) (Page 2 of 2)

Notes:

- (a) Calculated based on 2009 estimated consumer expenditures reported in Table 10 and population projections reported in Table 7.
- (b) Excludes Auto and Other Vehicle Dealers and Gasoline Stations.
- (c) Low-growth estimates for 2029 are based on the average annual population growth rate in each area between 2000 and 2009, as reported by Claritas.
- (d) High-growth estimates are based on the average annual population growth rate of the Alamance, Durham, Orange Tri-County region, as reported by the OSBM.
- (e) Adjustment to account for an additional 14 percent for non-retail outlets (business and personal services).
- (f) Adjustment to account for a ten percent vacancy allowance.

Sources: Claritas, 2009; Office of State Budget and Management, 2009; Urban Land Institute, Dollars and Centers of Shopping Centers, 2007; DCRP, PLAN 773, 2009.

Business and Employment Development Impacts

To estimate the business and employment generating potential of the above retail demand estimates, Tables 17, 18, and 19 utilize average per firm employment and gross leasable area figures to derive the approximate number of businesses and jobs that might be supported through capture of existing and projected future retail demand.

Average Per Firm Employment and Wages

Based on state employment data from the 2007 County Business Patterns, shown in Table 17, retail establishments have, on average, from six to as many as 48 employees. The largest firms are in the general merchandise stores sector with 48 employees on average, followed by food and beverage stores (21); food service and drinking places (19); automotive and other vehicle dealers (18); and building material and garden equipment stores (16). Other retail categories such as gasoline stations and miscellaneous store retailers yield many fewer jobs per establishment, with an average of 6.

When comparing retail categories on an average annual wage basis, automotive and other vehicle dealers offer the highest average wages at \$41,300 per year. Other high-paying industries include non-store retailers (\$38,200); building material and garden equipment stores (\$28,500); furniture and home furnishings stores (\$25,900); and automotive supply stores (\$25,200). Some of the lowest paying retail industries include food service and drinking places, averaging only \$12,500 per year; sporting goods, hobby, book, and music Stores (\$14,400 per year); and food and beverage stores (\$15,000).

Business Development and Job Creation

Table 18 outlines the estimated number of firms and total jobs that might be supported through capture of existing retail leakage, based on national average gross leasable area, and state average employment per establishment. Using these figures, the two-mile radius could potentially support up to five new retail establishments and 51 new jobs. The largest employment impacts are in the Clothing and Clothing Accessories category with a total of roughly 33 new jobs created between three new establishments of roughly 4,000 square feet each. The second largest job generating potential is in the Electronics and Appliance Stores sector with 12 new jobs created in one new establishment of around 2,400 square feet. In the Health and Personal Care Stores category there is sufficient demand for slightly more than half of the usual floor area. If a smaller store of around 7,000 square feet could be established, this could provide up to seven more jobs. By applying the average annual wages described in Table 17 to the above estimates of employment generation by retail category, these retail developments could create a total added value of one million dollars annually.

Optimistically, estimates of business and job development potential in the five-mile radius show

sufficient demand to accommodate around 61 new businesses, creating nearly 1,300 new jobs. The greatest potential is in General Merchandise Stores. Estimates show demand for 12 new stores, creating almost 600 new jobs. Similarly, there is demand in the Food Service and Drinking Places Sector for another 23 restaurants, bars, and café's which could offer employment to over 430 people.

Utilizing the retail demand projections describe earlier, Table 19 estimates that potential for between 39 and 58 new retail establishments in the two-mile radius by 2029. Using average employment per establishment figures, these new firms could generate between 745 and nearly 1,100 new jobs. The largest potential gains are in the general merchandise stores category. Averaging 8,000 square feet in size, the town could possibly absorb between six and nine new stores of this type in the two-mile radius by 2029, creating roughly 300 to 435 new jobs. The second largest job generating potential is in the food service and drinking places category. These establishments are roughly 1,800 square feet each, with 19 employees on average. Based on retail demand projections, this category could absorb between 11 and 16 new establishments during the projected time horizon, creating between 200 and 300 new jobs. The third highest job creation category is building materials and garden equipment stores, averaging 4,100 square feet and 16 employees. Projected demand could absorb six to eight new stores, generating between 88 and 130 new jobs.

By comparison, the five-mile radius could absorb between 152 and 195 new businesses, creating 2,800 to 3,600 jobs. The total wage impacts of this job creation are estimated at between \$52 million and \$67 million annually. Business and job development potential are concentrated in the categories General Merchandise, Food Service and Drinking Places, and Building materials. For further details regarding the business and job potential in specific retail categories, please refer to Table 19.

Table 17: North Carolina Retail Employment and Payroll, 2007

Retail Category	Total Employment	Total Establishments	Average Employment Per Establishment	Total Annual Payroll	Average Annual-Wage	Average Hourly-Wage (a)
Automotive Supply Stores	17,289	2,142	8	\$435,625,000	\$25,197	\$12
Furniture & Home Furnishings Stores	19,622	2,390	8	\$508,233,000	\$25,901	\$12
Electronics & Appliances Stores	12,480	1,455	9	\$293,285,000	\$23,500	\$11
Building Material, Garden Equip Stores	47,723	3,034	16	\$1,359,655,000	\$28,491	\$14
Food & Beverage Stores	78,144	3,773	21	\$1,262,020,000	\$16,150	\$8
Health & Personal Care Stores	33,109	2,752	12	\$942,684,000	\$28,472	\$14
Clothing & Clothing Accessories Stores	47,818	4,636	10	\$688,405,000	\$14,396	\$7
Sporting Gds, Hobby, Book, Music Stores	15,849	1,797	9	\$237,486,000	\$14,984	\$7
General Merchandise Stores	91,838	1,904	48	\$1,737,189,000	\$18,916	\$9
Miscellaneous Store Retailers	22,976	3,675	6	\$432,626,000	\$18,829	\$9
Non-Store Retailers	13,492	1,472	9	\$516,033,000	\$38,247	\$18
Foodservice & Drinking Places	301,333	16,232	19	\$3,773,448,000	\$12,523	\$6
Auto and Other Vehicle Dealers (b)	45,017	2,548	18	\$1,858,674,000	\$41,288	\$20
Gasoline Stations	29,508	4,751	6	\$498,035,000	\$16,878	\$8
Total All Retail Categories	776,198	52,561	15	\$14,543,398,000	\$18,737	\$9

Notes:

- (a) Derived using total annual payroll, total employment, and assuming a standard 40 hour work week (i.e. 2,080 hours per year).
(b) Includes auto and other motor vehicles.

Sources: 2007 County Business Patterns, 2009; DCRP, PLAN 773, 2009.

Table 18: Estimated Business and Job Development Impacts, Two-, Five-, and Ten-Mile Radii, 2009 (Page 1 of 2)

Retail Category (a)	Existing Supportable Square Feet (b)	Ave. Gross Leasable Area (c)	Estimated Number of Supportable Establishments (d)	Average Employment Per Establishment (e)	Total Estimated Employment
Two-Mile Radius					
Automotive Supply Stores	0	4,032	0	8	0
Furniture & Home Furnishings Stores	0	4,214	0	8	0
Electronics & Appliances Stores	3,310	2,400	1	9	12
Building Material, Garden Equip Stores	0	4,100	0	16	0
Food & Beverage Stores	0	32,020	0	21	0
Health & Personal Care Stores	7,210	12,544	0.6	12	7
Clothing & Clothing Accessories Stores	12,667	4,000	3	10	33
Sporting Gds, Hobby, Book, Music Stores	0	1,700	0	9	0
General Merchandise Stores	0	8,000	0	48	0
Miscellaneous Store Retailers	0	2,050	0	6	0
Foodservice & Drinking Places	0	1,799	0	19	0
Total All Retail Categories	23,187		5		51
Five-Mile Radius					
Automotive Supply Stores	4,047	4,032	1	8	8
Furniture & Home Furnishings Stores	0	4,214	0	8	0
Electronics & Appliances Stores	10,260	2,400	4	9	37
Building Material, Garden Equip Stores	0	4,100	0	16	0
Food & Beverage Stores	0	32,020	0	21	0
Health & Personal Care Stores	35,244	12,544	3	12	34
Clothing & Clothing Accessories Stores	52,210	4,000	13	10	135
Sporting Gds, Hobby, Book, Music Stores	0	1,700	0	9	0
General Merchandise Stores	98,423	8,000	12	48	593
Miscellaneous Store Retailers	7,901	2,050	4	6	24
Foodservice & Drinking Places	42,053	1,799	23	19	434
Total All Retail Categories	250,138		61		1,265

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers, 2007; Claritas, 2009; 2007 County Business Patterns, 2009; DCRP, PLAN 773, 2009.

Table 18: Estimated Business and Job Development Impacts, Two-, Five-, and Ten-Mile Radii, 2009 (Page 2 of 2)

Retail Category (a)	Existing Supportable Square Feet (b)	Ave. Gross Leasable Area (c)	Estimated Number of Supportable Establishments (d)	Average Employment Per Establishment (e)	Total Estimated Employment
Ten-Mile Radius					
Automotive Supply Stores	87,037	4,032	22	8	174
Furniture & Home Furnishings Stores	16,962	4,214	4	8	33
Electronics & Appliances Stores	61,157	2,400	25	9	219
Building Material, Garden Equip Stores	94,982	4,100	23	16	364
Food & Beverage Stores	143,158	32,020	4	21	93
Health & Personal Care Stores	135,187	12,544	11	12	130
Clothing & Clothing Accessories Stores	263,116	4,000	66	10	678
Sporting Gds, Hobby, Book, Music Stores	79,283	1,700	47	9	411
General Merchandise Stores	637,971	8,000	80	48	3,847
Miscellaneous Store Retailers	77,262	2,050	38	6	236
Foodservice & Drinking Places	205,459	1,799	114	19	2,120
Total All Retail Categories	1,801,573		434		8,305

Notes:

- (a) Excludes non-store retailers due to lack of information regarding building size and average sales volume.
- (b) Includes a 14 percent non-retail adjustment and ten percent vacancy adjustment.
- (c) Based on national average figures for the entire NAICS category.
- (d) Figures are rounded to the nearest whole number.
- (e) Based on total employment and total establishment figures for the State of North Carolina.

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers, 2007; Claritas, 2009; 2007 County Business Patterns, 2009; DCRP, PLAN 773, 2009.

Table 19: Projected Business and Employment Development Impacts, Two-, Five-, and Ten-Mile Radii, 2010 - 2029 (Page 1 of 2)

Retail Category (b)	Additional Retail Space Demand 2029 (Square Feet) (a)		Ave. Gross Leasable Area (e)	Estimated Number of Supportable Establishments (f)		Average Employment Per Establishment (g)	Total Estimated Employment	
	Low Est. (c)	High Est. (d)		Low Est.	High Est.		Low Est.	High Est.
Two-Mile Radius								
Automotive Supply Stores	6,826	10,071	4,032	2	2	8	14	20
Furniture & Home Furnishings Stores	5,166	7,622	4,214	1	2	8	10	15
Electronics & Appliances Stores	3,851	5,682	2,400	2	2	9	14	20
Building Material, Garden Equip Stores	22,886	33,769	4,100	6	8	16	88	130
Food & Beverage Stores	28,650	42,273	32,020	1	1	21	19	27
Health & Personal Care Stores	12,129	17,896	12,544	1	1	12	12	17
Clothing & Clothing Accessories Stores	14,027	20,697	4,000	4	5	10	36	53
Sporting Gds, Hobby, Book, Music Stores	6,796	10,027	1,700	4	6	9	35	52
General Merchandise Stores	48,925	72,189	8,000	6	9	48	295	435
Miscellaneous Store Retailers	5,523	8,149	2,050	3	4	6	17	25
Foodservice & Drinking Places	19,991	29,496	1,799	11	16	19	206	304
Total All Retail Categories	174,770	257,872		39	58		745	1,099
Two-Mile Radius								
Automotive Supply Stores	26,010	33,302	4,032	6	8	8	52	67
Furniture & Home Furnishings Stores	20,056	25,679	4,214	5	6	8	39	50
Electronics & Appliances Stores	14,947	19,137	2,400	6	8	9	53	68
Building Material, Garden Equip Stores	90,100	115,360	4,100	22	28	16	346	443
Food & Beverage Stores	105,832	135,503	32,020	3	4	21	68	88
Health & Personal Care Stores	43,012	55,071	12,544	3	4	12	41	53
Clothing & Clothing Accessories Stores	53,838	68,932	4,000	13	17	10	139	178
Sporting Gds, Hobby, Book, Music Stores	26,899	34,440	1,700	16	20	9	140	179
General Merchandise Stores	184,769	236,571	8,000	23	30	48	1,114	1,426
Miscellaneous Store Retailers	21,492	27,517	2,050	10	13	6	66	84
Foodservice & Drinking Places	77,480	99,202	1,799	43	55	19	800	1,024
Total All Retail Categories	664,435	850,714		152	195		2,857	3,658
Two-Mile Radius								
Automotive Supply Stores	135,349	149,700	4,032	34	37	8	271	300
Furniture & Home Furnishings Stores	114,253	126,368	4,214	27	30	8	223	246
Electronics & Appliances Stores	82,620	91,381	2,400	34	38	9	295	327
Building Material, Garden Equip Stores	491,622	543,749	4,100	120	133	16	1,886	2,086
Food & Beverage Stores	547,508	605,561	32,020	17	19	21	354	392
Health & Personal Care Stores	223,396	247,083	12,544	18	20	12	214	237
Clothing & Clothing Accessories Stores	299,015	330,720	4,000	75	83	10	771	853
Sporting Gds, Hobby, Book, Music Stores	153,354	169,615	1,700	90	100	9	796	880
General Merchandise Stores	992,657	1,097,910	8,000	124	137	48	5,985	6,620
Miscellaneous Store Retailers	115,505	127,753	2,050	56	62	6	352	390
Foodservice & Drinking Places	420,228	464,785	1,799	234	258	19	4,336	4,796
Total All Retail Categories	3,575,509	3,954,624		829	917		15,484	17,125

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers, 2009; Claritas, 2009; 2007 County Business Patterns, 2009; DCRP, PLAN 773, 2009.

Table 19: Projected Business and Employment Development Impacts, Two-, Five-, and Ten-Mile Radii, 2010 - 2029 (Page 2 of 2)

Notes:

- (a) Includes a 14 percent non-retail adjustment and ten percent vacancy adjustment.
- (b) Excludes non-store retailers due to lack of information regarding building size and average sales volume.
- (c) Low-growth estimates for 2029 are based on the average annual population growth rate in each area between 2000 and 2009, as reported by Claritas.
- (d) High-growth estimates are based on the average annual population growth rate of the Alamance, Durham, Orange Tri-County region, as reported by the OSBM.
- (e) Based on national average figures for the entire NAICS category.
- (f) Figures are rounded to the nearest whole number.
- (g) Based on total employment and total establishment figures for the State of North Carolina.

Sources: Urban Land Institute, Dollars and Cents of Shopping Centers, 2009; Claritas, 2009; 2007 County Business Patterns, 2009; DCRP, PLAN 773, 2009.

Sales Tax Revenue Generation

Tables 20 and 21 report estimates of the potential sales tax revenue that might be generated through capture of existing retail leakage, and projected future retail demand, based on 2009 county and state sales tax rates. According to the North Carolina Department of Revenue, sales of personal property are subject to state sales tax at a rate of 5.75 percent, and county sales tax at a rate of two percent.¹³ Based on this analysis, the total additional sales tax-generating potential of the two-mile radius area, based on existing leakage, is approximately \$1.3 million. By comparison, the five-mile radius exhibits potential sales tax revenues of \$7.7 million, and the ten-mile radius only \$46 million. Table 21 reports projected 2029 sales tax generation based on the retail demand estimates discussed earlier. Based on these calculations, the two-mile radius shows a potential increase in sale tax revenue by 2029 of between \$6.9 million, and \$9.4 million per year. The five-mile radius, by contrast reports an estimated increase of \$26.4 million to \$30.9 million. Finally, the ten-mile radius exhibits potential projected sales tax revenue generation of between \$141.5 million and \$143.3 million.

¹³ North Carolina Department of Revenue. *Important Notice: State and Local Sales and Use Tax Rate Change Issues*. Accessed November 20, 2009. http://www.dornrc.com/taxes/sales/impnotice1009_2.pdf.

Table 20: Estimated Sales Tax Revenue Generation, 2009**Sales Tax Rates, 2009**

Orange County	2.00%
State of North Carolina	5.75%

Retail Category	2009 Retail Sales Leakage	Sales Tax Generation From Existing Leakage		
		County (a)	State (b)	Total
Two Mile Radius (c)				
Automotive Supply Stores	\$0	\$0	\$0	\$0
Furniture & Home Furnishings Stores	\$0	\$0	\$0	\$0
Electronics & Appliances Stores	(\$1,391,261)	\$27,825	\$79,998	\$107,823
Building Material, Garden Equip Stores	\$0	\$0	\$0	\$0
Food & Beverage Stores	\$0	\$0	\$0	\$0
Health & Personal Care Stores	(\$2,621,094)	\$52,422	\$150,713	\$203,135
Clothing & Clothing Accessories Stores	(\$2,773,264)	\$55,465	\$159,463	\$214,928
Sporting Gds, Hobby, Book, Music Stores	\$0	\$0	\$0	\$0
General Merchandise Stores	\$0	\$0	\$0	\$0
Miscellaneous Store Retailers	\$0	\$0	\$0	\$0
Non-Store Retailers	\$0	\$0	\$0	\$0
Foodservice & Drinking Places	\$0	\$0	\$0	\$0
Auto and Other Vehicle Dealers (d)	(\$6,792,442)	\$135,849	\$390,565	\$526,414
Gasoline Stations	(\$3,183,164)	\$63,663	\$183,032	\$246,695
Total for all Categories with Leakage	(\$16,761,225)	\$335,225	\$963,770	\$1,298,995
Five Mile Radius (c)				
Automotive Supply Stores	(\$592,907)	\$11,858	\$34,092	\$45,950
Furniture & Home Furnishings Stores	\$0	\$0	\$0	\$0
Electronics & Appliances Stores	(\$4,312,287)	\$86,246	\$247,957	\$334,202
Building Material, Garden Equip Stores	\$0	\$0	\$0	\$0
Food & Beverage Stores	\$0	\$0	\$0	\$0
Health & Personal Care Stores	(\$12,812,248)	\$256,245	\$736,704	\$992,949
Clothing & Clothing Accessories Stores	(\$11,430,511)	\$228,610	\$657,254	\$885,865
Sporting Gds, Hobby, Book, Music Stores	\$0	\$0	\$0	\$0
General Merchandise Stores	(\$18,762,805)	\$375,256	\$1,078,861	\$1,454,117
Miscellaneous Store Retailers	(\$2,274,904)	\$45,498	\$130,807	\$176,305
Non-Store Retailers	\$0	\$0	\$0	\$0
Foodservice & Drinking Places	(\$13,601,420)	\$272,028	\$782,082	\$1,054,110
Auto and Other Vehicle Dealers (d)	(\$29,266,381)	\$585,328	\$1,682,817	\$2,268,145
Gasoline Stations	(\$7,269,481)	\$145,390	\$417,995	\$563,385
Total for all Categories with Leakage	(\$100,322,944)	\$2,006,459	\$5,768,569	\$7,775,028
Ten Mile Radius (c)				
Automotive Supply Stores	(\$12,750,239)	\$255,005	\$733,139	\$988,144
Furniture & Home Furnishings Stores	(\$4,742,684)	\$94,854	\$272,704	\$367,558
Electronics & Appliances Stores	(\$25,703,034)	\$514,061	\$1,477,924	\$1,991,985
Building Material, Garden Equip Stores	(\$31,276,521)	\$625,530	\$1,798,400	\$2,423,930
Food & Beverage Stores	(\$46,497,655)	\$929,953	\$2,673,615	\$3,603,568
Health & Personal Care Stores	(\$49,145,020)	\$982,900	\$2,825,839	\$3,808,739
Clothing & Clothing Accessories Stores	(\$57,605,353)	\$1,152,107	\$3,312,308	\$4,464,415
Sporting Gds, Hobby, Book, Music Stores	(\$14,836,610)	\$296,732	\$853,105	\$1,149,837
General Merchandise Stores	(\$121,618,895)	\$2,432,378	\$6,993,086	\$9,425,464
Miscellaneous Store Retailers	(\$22,246,994)	\$444,940	\$1,279,202	\$1,724,142
Non-Store Retailers	\$0	\$0	\$0	\$0
Foodservice & Drinking Places	(\$66,451,997)	\$1,329,040	\$3,820,990	\$5,150,030
Auto and Other Vehicle Dealers (d)	(\$142,212,669)	\$2,844,253	\$8,177,228	\$11,021,482
Gasoline Stations	(\$3,501,652)	\$70,033	\$201,345	\$271,378
Total for all Categories with Leakage	(\$598,589,323)	\$11,971,786	\$34,418,886	\$46,390,673

Notes:

- (a) Figures are based on the County sales tax rate of 2 percent.
 (b) Figures are based on the State sales tax rate of 5.75 percent.
 (c) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.
 (d) Includes auto and other motor vehicles.

Sources: Claritas, 2009; North Carolina Department of Revenue, 2009; DCRP, PLAN 773, 2009.

Table 21: Estimated Sales Tax Revenue Generation, 2029 (Page 1 of 2)

Sales Tax Rates, 2009

Orange County	2.00%
State of North Carolina	5.75%

Retail Category	Additional Retail Demand 2029 (Dollars)		Projected Sales Tax Generation (a)					
	Low Est. (b)	High Est. (c)	Low Est.			High Est.		
			County	State	Total	County	State	Total
Two Mile Radius (d)								
Automotive Supply Stores	\$1,291,864	\$1,906,136	\$25,837	\$74,282	\$100,119	\$38,123	\$109,603	\$147,726
Furniture & Home Furnishings Stores	\$1,866,034	\$2,753,320	\$37,321	\$107,297	\$144,618	\$55,066	\$158,316	\$213,382
Electronics & Appliances Stores	\$2,091,146	\$3,085,471	\$41,823	\$120,241	\$162,064	\$61,709	\$177,415	\$239,124
Building Material, Garden Equip Stores	\$9,736,724	\$14,366,470	\$194,734	\$559,862	\$754,596	\$287,329	\$826,072	\$1,113,401
Food & Beverage Stores	\$12,022,766	\$17,739,510	\$240,455	\$691,309	\$931,764	\$354,790	\$1,020,022	\$1,374,812
Health & Personal Care Stores	\$5,696,685	\$8,405,419	\$113,934	\$327,559	\$441,493	\$168,108	\$483,312	\$651,420
Clothing & Clothing Accessories Stores	\$3,967,804	\$5,854,467	\$79,356	\$228,149	\$307,505	\$117,089	\$336,632	\$453,721
Sporting Gds, Hobby, Book, Music Stores	\$1,643,081	\$2,424,355	\$32,862	\$94,477	\$127,339	\$48,487	\$139,400	\$187,887
General Merchandise Stores	\$12,050,148	\$17,779,911	\$241,003	\$692,883	\$933,886	\$355,598	\$1,022,345	\$1,377,943
Miscellaneous Store Retailers	\$2,054,679	\$3,031,665	\$41,094	\$118,144	\$159,238	\$60,633	\$174,321	\$234,954
Non-Store Retailers	\$5,811,499	\$8,574,827	\$116,230	\$334,161	\$450,391	\$171,497	\$493,053	\$664,549
Foodservice & Drinking Places	\$8,353,618	\$12,325,706	\$167,072	\$480,333	\$647,405	\$246,514	\$708,728	\$955,242
Auto and Other Vehicle Dealers (e)	\$12,479,750	\$18,413,787	\$249,595	\$717,586	\$967,181	\$368,276	\$1,058,793	\$1,427,068
Gasoline Stations	\$10,493,984	\$15,483,802	\$209,880	\$603,404	\$813,284	\$309,676	\$890,319	\$1,199,995
Total for all Categories	\$89,559,778	\$132,144,847	\$1,791,196	\$5,149,687	\$6,940,883	\$2,642,897	\$7,598,329	\$10,241,226
Five Mile Radius (d)								
Automotive Supply Stores	\$4,922,728	\$6,302,842	\$98,455	\$283,057	\$381,511	\$126,057	\$362,413	\$488,470
Furniture & Home Furnishings Stores	\$7,245,239	\$9,276,482	\$144,905	\$416,601	\$561,506	\$185,530	\$533,398	\$718,927
Electronics & Appliances Stores	\$8,116,170	\$10,391,584	\$162,323	\$466,680	\$629,003	\$207,832	\$597,516	\$805,348
Building Material, Garden Equip Stores	\$38,332,017	\$49,078,610	\$766,640	\$2,204,091	\$2,970,731	\$981,572	\$2,822,020	\$3,803,592
Food & Beverage Stores	\$44,411,407	\$56,862,390	\$888,228	\$2,553,656	\$3,441,884	\$1,137,248	\$3,269,587	\$4,406,835
Health & Personal Care Stores	\$20,202,087	\$25,865,853	\$404,042	\$1,161,620	\$1,565,662	\$517,317	\$1,487,287	\$2,004,604
Clothing & Clothing Accessories Stores	\$15,228,691	\$19,498,139	\$304,574	\$875,650	\$1,180,224	\$389,963	\$1,121,143	\$1,511,106
Sporting Gds, Hobby, Book, Music Stores	\$6,503,526	\$8,326,825	\$130,071	\$373,953	\$504,023	\$166,537	\$478,792	\$645,329
General Merchandise Stores	\$45,508,158	\$58,266,621	\$910,163	\$2,616,719	\$3,526,882	\$1,165,332	\$3,350,331	\$4,515,663
Miscellaneous Store Retailers	\$7,995,372	\$10,236,919	\$159,907	\$459,734	\$619,641	\$204,738	\$588,623	\$793,361
Non-Store Retailers	\$21,977,243	\$28,138,685	\$439,545	\$1,263,691	\$1,703,236	\$562,774	\$1,617,974	\$2,180,748
Foodservice & Drinking Places	\$32,376,567	\$41,453,516	\$647,531	\$1,861,653	\$2,509,184	\$829,070	\$2,383,577	\$3,212,648
Auto and Other Vehicle Dealers (e)	\$48,184,313	\$61,693,051	\$963,686	\$2,770,598	\$3,734,284	\$1,233,861	\$3,547,350	\$4,781,211
Gasoline Stations	\$39,414,880	\$50,465,059	\$788,298	\$2,266,356	\$3,054,653	\$1,009,301	\$2,901,741	\$3,911,042
Total for all Categories with Leakage	\$340,418,399	\$435,856,577	\$6,808,368	\$19,574,058	\$26,382,426	\$8,717,132	\$25,061,753	\$33,778,885

Sources: Claritas, 2009; North Carolina Department of Revenue, 2009; DCRP, PLAN 773, 2009.

Table 21: Estimated Sales Tax Revenue Generation, 2029 (Page 2 of 2)

Retail Category	Additional Retail Demand 2029 (Dollars)		Projected Sales Tax Generation (a)					
	Low Est. (b)	High Est. (c)	Low Est.			High Est.		
			County	State	Total	County	State	Total
Ten Mile Radius (d)								
Automotive Supply Stores	\$25,616,884	\$28,333,074	\$512,338	\$1,472,971	\$1,985,308	\$566,661	\$1,629,152	\$2,195,813
Furniture & Home Furnishings Stores	\$41,273,541	\$45,649,827	\$825,471	\$2,373,229	\$3,198,699	\$912,997	\$2,624,865	\$3,537,862
Electronics & Appliances Stores	\$44,862,859	\$49,619,725	\$897,257	\$2,579,614	\$3,476,872	\$992,395	\$2,853,134	\$3,845,529
Building Material, Garden Equip Stores	\$209,154,255	\$231,331,146	\$4,183,085	\$12,026,370	\$16,209,455	\$4,626,623	\$13,301,541	\$17,928,164
Food & Beverage Stores	\$229,755,569	\$254,116,844	\$4,595,111	\$13,210,945	\$17,806,057	\$5,082,337	\$14,611,719	\$19,694,055
Health & Personal Care Stores	\$104,925,485	\$116,050,868	\$2,098,510	\$6,033,215	\$8,131,725	\$2,321,017	\$6,672,925	\$8,993,942
Clothing & Clothing Accessories Stores	\$84,579,870	\$93,547,981	\$1,691,597	\$4,863,343	\$6,554,940	\$1,870,960	\$5,379,009	\$7,249,968
Sporting Gds, Hobby, Book, Music Stores	\$37,077,405	\$41,008,770	\$741,548	\$2,131,951	\$2,873,499	\$820,175	\$2,358,004	\$3,178,180
General Merchandise Stores	\$244,488,605	\$270,412,042	\$4,889,772	\$14,058,095	\$18,947,867	\$5,408,241	\$15,548,692	\$20,956,933
Miscellaneous Store Retailers	\$42,970,392	\$47,526,597	\$859,408	\$2,470,798	\$3,330,205	\$950,532	\$2,732,779	\$3,683,311
Non-Store Retailers	\$119,065,370	\$131,690,023	\$2,381,307	\$6,846,259	\$9,227,566	\$2,633,800	\$7,572,176	\$10,205,977
Foodservice & Drinking Places	\$175,601,256	\$194,220,480	\$3,512,025	\$10,097,072	\$13,609,097	\$3,884,410	\$11,167,678	\$15,052,087
Auto and Other Vehicle Dealers (e)	\$266,311,441	\$294,548,781	\$5,326,229	\$15,312,908	\$20,639,137	\$5,890,976	\$16,936,555	\$22,827,530
Gasoline Stations	\$200,776,102	\$222,064,646	\$4,015,522	\$11,544,626	\$15,560,148	\$4,441,293	\$12,768,717	\$17,210,010
Total for all Categories with Leakage	\$1,826,459,034	\$2,020,120,803	\$36,529,181	\$105,021,394	\$141,550,575	\$40,402,416	\$116,156,946	\$156,559,362

Notes:

- (a) Figures utilize 2009 sales tax rates for Orange County and the State.
- (b) Low-growth estimates for 2029 are based on the average annual population growth rate in each area between 2000 and 2009, as reported by Claritas.
- (c) High-growth estimates are based on the average annual population growth rate of the Alamance, Durham, Orange Tri-County region, as reported by the OSBM.
- (d) Radii are defined using the intersection of Hill Street and Cornelius Street as the center point. See Figure 1 for details.
- (e) Includes auto and other motor vehicles.

Sources: Claritas, 2009; North Carolina Department of Revenue, 2009; DCRP, PLAN 773, 2009.

Development Opportunities

Planned and Proposed Developments

Currently, there are 10 new private sector developments approved or under construction in the Town of Hillsborough. Eight projects include residential units, with a total of 595 single-family units, 700 multi-family units, and 4-9 special units. As shown in Table 22, there are five commercial developments currently underway in Hillsborough with a total of 414,000 square feet of office, and over 163,000 square feet of retail

The first commercial project, Hampton Point, is largely completed with 55,000 square feet of retail and only a handful of retail pads left available for assorted retail shops or fast food. The smallest project currently under construction is the Forest Ridge mixed-use development that includes 18,000 square feet of office and 10,000 square feet of retail. The second smallest project is Oakdale Village on South Churton Street that will include 25,000 square feet of retail shops and 200 restaurant seats, plus 23,000 square feet of medical office space. The largest project is the Waterstone development was slated to include over 73,000 square feet of commercial and retail space and nearly 384,000 square feet of office space, in addition to 34 single-family units, 399 multi-family units and the one million square foot UNC hospital complex.

The UNC Hospital at Waterstone will provide 68 hospital beds, a surgical, laboratory and diagnostic facilities, a pharmacy, and physical and occupational therapy services. At full build-out, the complex will include 810,000 square feet of space, including the hospital itself, medical office buildings, and a central utility plant. A certificate of need has been submitted to the Department of Health Services Regulation for the State of North Carolina, in accordance with state and federal regulations.

Development Recommendations

Based on the project team's estimates of retail development potential, as derived from existing and future projected retail leakage, the two-mile radius shows a demand potential for around 23,000 square feet of new retail space, while the five-mile radius shows potential for over 250,000 square feet. As of December 2009, the Town, however had approved 163,000 square feet of retail development in four different shopping centers on the south-side of Hillsborough. This equals roughly 7 times the estimated retail development potential of the two-mile radius. The caveat, fortunately, is that some of these projects, and the Waterstone development in particular, are geared to capture demand and serve customers from throughout Orange County and beyond. Emphasizing this point is the estimated 250,000 square feet of retail demand potential reported for the five-mile radius. This is roughly 1.5 times the amount of retail space currently under construction in the town, suggesting significant additional retail capacity that could be absorbed through development along the U.S. 70 corridor. Furthermore, demand for retail development through 2029 is projected

to increase by 226,000 to 333,000 square feet in the two-mile radius and 858,000 to over one million square feet in the five-mile radius.

Interestingly existing demographic trends as well as retail leakage data, imply that the town should not rely too heavily on demand from existing Hillsborough town residents to support new commercial development. While demand projections applied the two-mile growth rate, as well as the tri-county growth rate, in order to provide an estimated range within which future demand might be expected to fall, in the near-term the town is most likely to experience the continuation of existing trends. In terms of population, this would mean continued population decline. Combined with lower household incomes and academic attainment, the future demand potential of the two-mile radius will likely resemble estimates in the low-growth scenario. However, the almost 600 new single-family homes and 700 new multifamily units currently under construction may begin to attract younger, more highly educated households into the area. If properly leveraged, the new demand created through this residential migration may support new commercial development that can also service demand from existing town residents. For example, the Kenion Grove residential development, located between Revere Road and Cornelius Street, includes 55 new market rate single-family residential units (only five have yet to be constructed). Thus, commercial development that appeals to the daily needs of existing north-side residents, as well as the new households in Kenion Grove may find a broader base of support that would otherwise be feasible.

Table 22: Planned and Proposed Residential and Commercial Projects, December, 2009

Development Name	Location	Description	Status	Total Acreage	Total Res. Units			Office Sq. Ft.	Retail Sq. Ft.	Other Sq. Ft.
					Single-Family	Multi-Family	Special			
Bellevue Mill	202 S. Nash Street	Renovation of historic mill	Approved	19.8	0	104		0	0	
Corbinton Commons	U.S. 70 and Gwenn Road	Age-restricted housing	In-Progress	40.1	69	205	53	9,000	0	
Eno Haven	U.S. 70 East	Affordable rental housing	Under Construction	11.52	0	0	76	0	0	
Kenion Grove	U.S. 70 and Revere Road	Single-family housing	Under Construction	n.a.	5	0	0	0	0	
Riverbend II	532 U.S. 70-A	Single-family housing	Under Construction	7.85	12	0		0	0	
Willowbend	N.C. 57 at Cameron Estates	Single-family housing	Approved	5.82	14	0		0	0	
Forest Ridge	U.S. 70-A East	Mixed-use development	Approved	118.77	233	0		18,000	10,000	
Oakdale Village	South Churton and Oakdale	Retail shopping center	Under Construction	9.5	0	0		23,000	25,000	
Hampton Pointe	N.C. 86 and Interstate 85	Shopping center build out	Approved	58.36	0	0			55,000	
Waterstone	Old N.C. 86 and I-40	Mixed-use development	Approved	337.5	262	391	280	363,868	73,432	
Total				609.22	595	700	409	413,868	163,432	1,058,000

Sources: Town of Hillsborough, 2009; DCRP, PLAN 773, 2009.

Conclusion

This report has provided a range of background information, data analysis, qualitative analysis, and resources with the aim of informing Hillsborough's economic development strategies for the U.S. 70/Cornelius Street corridor. Analyses have included demographic data, real estate market conditions, retail leakage analysis, health asset mapping, and identification of development opportunities.

This report can serve several functions. First, the data analysis provided can be used to support the arguments for several types of development including retail, office, and health services. Second, information provided can connect the leadership with resources to assist in the revitalization process. Third, methods of analysis and sources of data can be replicated as a model for further studies. Finally, this report provides several key recommendations regarding future development and redevelopment of US 70/Cornelius Street.

The overarching recommendation of this report is to use the data and analysis in this document to craft a holistic economic development strategy for the Cornelius Street corridor. This strategy should be consistent with the following criteria:

- 1) Utilize an anchor development (i.e. large commercial or institutional user) to help attract private investment and begin to blend new commercial development with existing and anticipated civic and residential uses.
- 2) Attract and retain retail dollars from within and outside the county.
- 3) Create jobs that provide decent wages, conditions and opportunities for workers from Hillsborough.
- 4) Enhance the physical appearance, environment and current uses of the corridor.

Strategy should also be formulated with consideration for the following key trends and conditions:

- An aging population;
- A desire for medical services in the study area, as expressed by local residents;
- The presence of considerable health assets, including training opportunities and the UNC Hospital at Waterstone;
- The sizable retail development potential in Hillsborough and Orange County, as illustrated by the retail leakage analysis; and
- A local real estate market that is, generally, weaker than or secondary to the market in the county and the region.

Needs identified by the community in the 2007 report included health care, retail, and services. We

have found evidence that these needs could be supported by Hillsborough's existing population, so we recommend that they be considered further as individual development opportunities or an overall strategy are explored.

Further, we recommend that any planning for development consider how these uses can fit together to achieve greater benefits for the corridor, town and its residents. For example, an anchoring development, such as a health clinic, could encourage other health-related firms to locate along the corridor—laboratories, medical supply wholesalers, or offices. Retail opportunities such as a small grocery and general merchandise stores, also identified as supportable uses, could be encouraged as an anchor use. By pursuing a mixed-use strategy for the corridor, the Town of Hillsborough can help ensure greater viability for any one development, and can improve the perception of safety and continuity with downtown Hillsborough that has traditionally been lacking.

In the realm of health care, there are unique models that Hillsborough could explore that would meet the specific needs of its population and establish Hillsborough as an innovator in the provision of health care services. Also, by pursuing a health care-based strategy for Cornelius Street, Hillsborough would be operating based on its strengths and what it already has, rather than pursuing what it is lacking. More importantly, this would allow the Town to develop partnerships with its existing health care assets—particularly, its concentration of primary health care providers, and Durham Tech—as well as the future asset of the new UNC hospital.

In conclusion, there are several options worth exploring for Cornelius Street. Because of the historic barriers to commercial development that the corridor has faced and the development of other commercial sites around town, future development of Cornelius Street sites should be considered for how it can make the corridor useful to neighborhood residents. At the same time, the Town of Hillsborough should continue with the plans for physical improvements to the physical and pedestrian environment of Cornelius Street, as these will make the area safer and more attractive to all residents.