

CASE STUDY UPDATE | HILLSBOROUGH, NC

2017



Since the original 2008 case study, Hillsborough has enjoyed rapid economic growth and accolades. The past nine years have seen Hillsborough grow a reputation for being a desirable and historic destination thanks to publications deeming it:

- America's Little Literacy Town (Wall Street Journal)
- One of the Coolest Small Towns in America, ranked third (Budget Travel)
- One of the Best Small Towns in the Americas You've Never Heard of (But Should) (CheeseWeb, International Travel Blog)
- The Best Half Marathon in the Triangle (Endurance Magazine)

Back in 2008, Hillsborough's economic development strategy was two-fold: promoting heritage-based tourism and managing growth for economic diversity and quality of life. Today, Hillsborough has largely continued with these strategies but it has diversified its tourism strategy by focusing on outdoor recreation, the arts and live music, and the emerging food and beverage scene in addition to the already established heritage-based tourism. Additionally, Hillsborough has added a third strategy of attracting, retaining, and expanding businesses with the hire of a dedicated Economic Development Planner. In 2015, the Town of Hillsborough Board of Commissioners partnered with the Hillsborough Tourism Board and Hillsborough Development Authority to create this full-time position that is charged with coordinating the town's tourism and economic development activities.

BUSINESS ATTRACTION

In 2015, Hillsborough adopted an economic development incentive policy aimed at new construction and redevelopment to encourage new businesses and new types of industries to consider Hillsborough as a competitive location to do business. Hillsborough's easy access to major interstates I-40 and I-85, as well as local highways US70 and NC86, positions it nicely as a great location for doing businesses, but its relatively small 2010 Census population base creates some misconceptions about the town and its ability to support larger and more diverse industry. As part of the incentive policy, the town provides tax grants and other incentives such as delayed annexation. These incentives are only granted when businesses meet performance standards set by the town related to hiring and investment. In addition to the economic development incentive policy, the economic development staff partner with property owners and realtors to proactively market available properties and vacant spaces.

LOCAL BUSINESS RETENTION & EXPANSION

Shannan Campbell, the town's Economic Development Planner hired in 2015, works with existing businesses to help them maintain and expand their operations by assisting with navigation of the town's permitting and review process, and acting as a liaison to the county and other relevant agencies. Campbell sees fostering local businesses as essential for a small town:

"WE DON'T WANT JUST A REVOLVING DOOR OF PEOPLE STARTING BUSINESSES, AND THEN GETTING BIGGER, AND THEN LEAVING. WE WANT TO KEEP THEM HERE. THAT'S ANOTHER WAY TO BUILD COMMUNITY. I'VE BEEN ABLE TO GET TO KNOW SOME OF OUR LOCAL BUSINESS OWNERS REALLY WELL BECAUSE WE WORKED TOGETHER TO BUILD THEIR BUSINESSES AND THAT KIND OF THING IS PRICELESS IN A SMALL TOWN."

Anecdotally, Campbell believes that the town's dedicated efforts to work with local businesses has worked. Many local businesses have expanded in the last few years and more are planning upcoming expansions based on need and demand.

TOURISM

The town's Strategic Growth Plan prioritizes the preservation of Hillsborough's natural and cultural heritage. Ms. Campbell, who works closely with Hillsborough Tourism Board (HTB) and Hillsborough Tourism Development Authority (HTDA), believes such historic preservation is a strength that allows the town to continue to build its brand.

Hillsborough continues to use the food and beverage tax and occupancy tax discussed in the original case study as its source of revenue to fund the tourism program. According to Ms. Campbell, the Tourism Board has seen revenues grow and be reinvested in the community. Some of this growth can be attributed to the HTB and HTDA, which have heavily promoted Hillsborough events, such as the Last Fridays Concerts and Art Walk, Hog Day BBQ Festival, and Handmade Parade that attract thousands of visitors every year.

Hillsborough's success with tourism has come from a strong partnership that promotes the Hillsborough experience, and having events and community assets that act as anchors to help visitors plan their trips. In addition to over 15 events a year, the town's new Riverwalk, a 1.8-mile urban greenway that opened up in 2014, is one such anchor asset that has proven to be successful in attracting visitors to Hillsborough.

THE OUTCOMES

Economic Development Planner Shannan Campbell attributes Hillsborough's recent economic development efforts with the following outcomes:

- 16 small businesses started, expanded, or relocated in FY2018
- Unemployment is at about 4.5%
- 4 new, now annual special events started
- The visitors center was rebranded in 2015 from the Hillsborough/Orange County Visitors Center to the Hillsborough Visitors Center. In FY2018 it received over 6,500 visitors from 48 states and 12 countries.
- A new VisitHillsboroughNC.com website was launched in 2016 and receives an average of 4,000+ new users per month with annual user growth of 26% since launch
- From FY16 to FY17 Food and Beverage Tax revenues grew 9.29%, or \$28,905

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