



TO: Mayor & Town Council

FROM: Matt Gladdek, Executive Director
Mimi Hock, Board Chair

SUBJECT: Changing town appointments to Chapel Hill Downtown Partnership Board

DATE: February 13, 2023

On behalf of the Chapel Hill Downtown Partnership Board, I present the following petition to the Town Council concerning the Chapel Hill Downtown Partnership Board appointments.

The board unanimously voted this month to ask the town to reduce the number of seats the Chapel Hill Town Council appoints to the Chapel Hill Partnership Board from four seats to two.

The original founding of the Chapel Hill Downtown Partnership had the town appointing four (4) seats, the university appointing two (2) seats, and then those appointees selecting three (3) more seats. A few years ago, it became clear the Board set up was not adequately representing a diverse set of property and businesses paying taxes into the Downtown Municipal Service District, so the board created an additional four (4) seats. This has created better representation, but we are continuing to search for ways to ensure those paying into district have a voice.

Reducing town appointed seats would put the town on an even footing with the university, would allow the board to move more quickly in filling seats, and would reduce confusion of managing members and applicants through the town clerk. Our board seeks to ensure business owners, property owners, and residents are adequately represented on our board because they pay an incremental tax to fund our organization. If these taxpayers are unsatisfied with our work, they can petition the town to rescind the Municipal Service District.

I've attached our bylaws for your information. Thank you for your consideration.

Sincerely,

Matt Gladdek
Executive Director

Mimi Hock
Board Chair

BYLAWS OF

CHAPEL HILL DOWNTOWN PARTNERSHIP, INC. A NORTH CAROLINA NONPROFIT CORPORATION

ARTICLE I Name and Offices

Section 1. Name and Offices

- a. Name. The name of this corporation shall be Chapel Hill Downtown Partnership, Inc., hereinafter referred to as the Corporation.
- b. Principal Office. The principal office of Corporation shall be located in the County of Orange, Town of Chapel Hill, North Carolina.
- c. Registered Office. The registered office of Chapel Hill Downtown Partnership which by law is required to be maintained within the State of North Carolina, may be, but need not be, identical to the principal office of the Corporation.

ARTICLE II Membership

- Section 1. The corporation shall have no voting members.

ARTICLE III Board & Meetings

Section 1. Board of Directors

- a. General Powers. The property, affairs and business of Corporation shall be managed by the Board of Directors.
- b. The number of Directors shall be fifteen (15). Each Director shall continue in office until his successor shall have been elected and qualified or until his death or until he shall resign or shall become disqualified or shall have been removed in the manner hereinafter provided. The University of North Carolina at Chapel Hill will appoint two (2) Directors; the Chapel Hill Town Council will appoint four (4) Directors, at least one of whom must be an owner of a business located in the downtown business district, and at least one of whom must be a property owner located in the downtown business district; and these seven (7) Directors annually shall elect eight (8) Directors, all of which should be business representatives or property owners in the downtown business district. Each of the eight (8) elected Directors shall serve an unlimited number of one-year terms. The Board of Directors may appoint an advisory committee consisting of representatives from the Chapel Hill community, the Chamber of the Greater Chapel Hill Carrboro, the University of North Carolina and the Chapel Hill and Orange County governmental units by a written resolution adopted by the Board.
- c. Appointment of Directors. Except as provided in the Section dealing with Vacancies, the Directors shall be appointed as set forth in Article III (1) (b) above at the annual meeting of directors.

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- d. Removal of Directors. Any elected director may be removed, with or without cause, upon the vote of a majority of all of the Board of Directors then in office
- e. Vacancies. Any vacancy created in the Board of Directors for whatever reason shall be filled by the entity that appointed the Director that created the vacancy.
- f. Chairman. There may be a Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.
- g. Indemnification Against Liability. The Corporation shall indemnify and hold harmless each person who shall serve at any time hereafter as a director or officer of the Corporation from and against any and all claims and liabilities to which such person shall become subject to any action alleged to have been heretofore or hereafter taken or omitted by him as such director or officer, and shall reimburse each such person for all legal and other expenses reasonably incurred by him in connection with any such claim or liability. The rights accruing to any person under the entitled, nor shall anything herein contained restrict the right of the Corporation to indemnify or reimburse such person in any proper case even though not specifically herein provided for. The Corporation, its Directors, officers, employees, and agents shall be fully protected in taking any action or making any payment, or in refusing so to do, in reliance upon the advice of counsel. The Board of Directors shall, within its sound business judgment and discretion, have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability.
- h. Compensation. Directors and Officers shall not be compensated for their services as such, but the Board of Directors may provide for the payment of expenses incurred by officers in connection with the performance of their duties
- i. Executive Director. The Executive Director, if there is one employed by the Corporation, shall be a nonvoting member of the Board of Directors and shall be present at all meetings of the Board of Directors
- j. Orientation. All new members of the Board of Directors shall participate in an orientation program familiarizing them with the goals and objectives of the Corporation and with their responsibilities.

Section 2. Meetings of Directors

- a. Regular Meetings. A regular annual meeting of the Board of Directors for the transaction of such business as may properly come before the meeting shall be held on any business day in each year as determined by the Board of Directors.
- b. Special Meetings. Special meetings of the Board of Directors may be called by or at request of the Chair or any three directors.

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- c. Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Corporation except that such meetings may be held at such other place, within or outside the State of North Carolina as may be designated in a duly executed waiver of notice of such meetings or as may be otherwise agreed upon in advance of the meeting by a majority of the directors.
- d. Notice of Meetings. Notice of meetings of the Board of directors shall be provided to Board members and the public. The presence of a director at a meeting shall constitute a waiver of notice of that meeting except only when such director attends the meeting solely for the purpose of objecting to the transaction of any business thereat, on the grounds that the meeting has not been lawfully called, and does not otherwise participate in such meeting.
- e. Quorum and Manner of Acting. A majority of the number of directors fixed by these bylaws as the number of directors of the Corporation shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors. Except as otherwise expressly provided in this section, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. The vote of a majority of the number of directors fixed by these bylaws as the number of directors of the Corporation shall be required to adopt a resolution appointing an executive committee, and the vote of a majority of the directors then holding office shall be required to adopt, amend, or repeal a bylaw.
- f. Informal Action of Directors. Directors and Officers shall not be compensated for their services as such, but the Board of Directors may provide for the payment of expenses incurred by officers in connection with the performance of their duties.
- β . g. Resignations. And director may resign at any time by giving written notice to the Chair or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at the time such resignation is received by the Chair or the Secretary of the Corporation unless it shall be necessary to accept such resignation before it becomes effective, in which event the resignation shall take effect upon its acceptance by the Board of Directors. Unless specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

ARTICLE IV Committees

- Section 1. Committees. The Board of Directors will have an Executive Committee consisting of the Chair, the Vice-Chair, the immediate Past Chair and the Treasurer. The Executive Committee shall have and may exercise the authority of the Board of Directors as so delegated by a written resolution in the management of the Partnership, except that it shall have no authority as to the following matters: (a) distributions, as defined in the North Carolina Nonprofit Corporation Act; (b) the dissolution, merger or consolidation of the Partnership, the amendment of the charter of the Partnership, or the sale, lease or exchange of all or substantially all of the property of the Partnership; (c) the designation of any committee of the Board of Directors or the filling of vacancies in the Board of Directors or in any such committee; (d) the amendment or repeal of the bylaws or the adoption of new bylaws; or (e) the amendment or repeal of any resolution of the Board of Directors which by its terms shall not be so amendable or repealable. The Executive Committee shall report to the Board of Directors from time to time with respect to significant

actions taken by it. By action of a majority of the number of directors then in office, the Board of Directors may from time to time designate such other committees as in the judgment of the Board of Directors may be necessary to carry out the objects and purposes of the Partnership and may determine the duties and tenure of each such committee.

ARTICLE V Officers

Section 1. Officers

- a. Number of Officers. The officers of Corporation shall be a Chair, a Vice Chair, a Secretary/Treasurer, and such other officers as may be appointed in accordance with the provisions in this Article. Any two offices or more may be held by one person, except the offices of Chair and Secretary, but no officer shall sign or execute any document in more than one capacity.
- b. Election, Term of Office and Qualifications. Each officer, except such officers as may be appointed in accordance with the provisions of this Article dealing with Vacancies, shall be chosen by the Board of Directors and shall hold office until the annual meeting of the Board of Directors held next after his election or until his successor shall have been duly chosen and qualified or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.
- c. Subordinate Officers and Agents. The Board of Directors from time to time may appoint other officers or agents, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time may determine. The Board of Directors may delegate to any officer or agent the power to appoint any subordinate officer or agent and to prescribe his respective authority and duties.
- d. Removal. The officers or any office may be removed, either with or without cause, by vote of a majority of the whole Board of Directors at a special meeting of the board called for that purpose. The Subordinate Officers appointed in accordance with the provisions of this Article may be removed, either with or without cause, by the Board of Directors, by a majority vote of the directors present at any meeting, or by any officer or agent upon whom such power of removal may be conferred by the Board of Directors. The removal of any person from office shall be without prejudice to the contract rights, if any, of the person so removed.
- e. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or to the Chair or the Secretary of the Corporation, or if he was appointed by an officer or agent, by giving written notice of the officer or agent who appointed him. Any such resignation shall take effect upon its being accepted by the Board of Directors or by the officers or agent appointing the person so resigning.
- f. Vacancies. A vacancy in any office because of death, resignation, removal, or disqualifications, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed by these by-laws for regular appointments or elections to such offices.

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- h. Chair. The chair shall be the chief executive officer of the Corporation, and subject to the instructions of the Board of Directors, shall have general charge of the business, affairs and property of the Corporation and control over its other officers, agents and employees. He shall preside at all meetings of the Board of Directors at which he may be present. The Chair shall do and perform such other duties as from time to time as may be assigned to him by the Board of Directors. The Chair shall be selected by the Board of Directors from either a Town Council appointment or a Board of Directors appointment. The Chair may serve two consecutive terms.
- h. Vice Chair. At the request of the Chair, or in his absence or disability, the Vice Chair, and if there be more than one Vice Chair, the Vice Chair designated by the Board of Directors, or in the absence of such designation, the Vice Chair designated by the Chair, shall perform all the duties of the Chair and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chairs shall perform such other duties and have such authority as from time to time as may be assigned to them by the Board of Directors. The Vice-Chairs may serve two consecutive terms.
- i. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of the Board of Directors, and shall see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; and shall have supervision over the funds, securities, receipts and disbursements of the Corporation. He shall be custodian of the records, books, reports, statements, and certificates and other documents of the Corporation and of the seal of the Corporation. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose, and he shall cause a true statement of its assets and liabilities, as of the close of each fiscal year, and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Corporation within four months after the end of such fiscal year. In general, he shall perform such other duties and possess all authority incidents to the office of Secretary/Treasurer, and he shall perform such other duties and have such other authority as from time to time as may be assigned to him by the Board of Directors. He may be required to give a bond for the faithful performance of his duties in such form and amount as the Board of Directors may determine.
- j. Duties of Officers May be Delegated. In case of the absence of any officer of the Corporation for any reason other than the board may deem sufficient, the Board may delegate the powers or duties of such officer to any other officer or to any director for the time being, provided a majority of the entire board of director concurs therein.
- k. Salaries of Officers. No officer of the Corporation shall be prevented from receiving a salary as such officer by reason of the fact that he is also a director of the Corporation. The salaries of the officers of the Corporation, including such officers as may be directors of the Corporation, shall be fixed from time to time by the Board of Directors, except that the Board of Directors may delegate to any officer who has been given power to appoint subordinate officers or agents the authority to fix the salaries or other compensation of any such officers or agents appointed by him.

1. Repayments. Any payments made to an officer of the Corporation such as a salary, commission, bonus, interest or rent or entertainment expense incurred by him that shall be disallowed in whole or in part as a deductible expense for Federal income tax purposes, shall be reimbursed by such officer to the Corporation to the full extent of the disallowance. It shall be the duty of the Board of Directors to enforce payment of each such amount disallowed. All such compensation matters shall be handled in accordance with the Corporation's separate Conflict of Interest Policy.

ARTICLE VI Executive Director

Section 1. Executive Director. The Executive Director of the corporation shall manage the daily operations of the Corporation. The Executive Director shall be responsible for coordinating the implementation of the corporation's policies and projects and such other duties as the Board of Directors may require. The Executive Director shall receive for his or her services such compensation as may be determined by the Board of Directors.

ARTICLE VII Finances

1. Contracts, Loans, Deposits, Checks, Drafts, Etc.
 - a. Contracts. Except as otherwise provided in these bylaws the Board of Directors may authorize any officer, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of The Corporation and such authority may be general or confined to specific instances.
 - b. Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the Corporation so authorized may affect loans or advances for the Corporation and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Corporation. Any such officer or agent, when thereunto so authorized, may mortgage, pledge, hypothecate or transfer as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation any real property and all stocks, bonds, other securities and other personal property at any time held by the Corporation, and to that end may endorse, assign, and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances.
 - c. Deposits. All funds of Corporation shall be deposited from time to time to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers, agent or agents of the Corporation to whom such power may from time to time be given the Board of Directors.
 - d. Checks, Drafts, Etc. All notes, drafts, acceptances, checks and endorsements of other evidences of indebtedness shall be signed by the Chair or the Treasurer, or in such other manner as the Board of Directors from time to time may determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories will be made by the Chair or Treasurer

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or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

- e. Contribution, Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or device for the general purposes or for any special purpose of the Corporation. The corporation may borrow funds as is necessary to further the purposes for which the corporation is created.
- f. Budget. The approved budget may be reviewed and revised periodically as deemed necessary by the Board.
- g. Audit. Not later than four months after the close of each fiscal year, the Corporation shall prepare:
 - A. A balance sheet showing in reasonable detail the financial condition of the Corporation at the close of the fiscal year;
 - B. A statement of the source and application of funds showing the results of the operation of the Corporation during the fiscal year.
 - C. An audit prepared by a registered North Carolina Certified Public Accountant.

ARTICLE VIII General Provisions

Section 1. General Provisions

- a. Corporate Seal. The Corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.
- b. Fiscal Year. The fiscal year of the Corporation shall be July 1st to June 30th of each year
- c. Waiver of Notice. Whenever any notice is required to be given to any director under the provisions of the North Carolina Non-Profit corporation act in North Carolina General Statute 55A or under North Carolina General Statute 55, dealing with Private Corporations or under the provisions of the charter or bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.
- d. Amendments. Except as otherwise herein provided, these bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the directors then holding office at any regular or special meetings of the Board of Directors, however no amendment may be adopted that will abrogate Sections 2,3,4 & 10 of the Articles of Incorporation of the Corporation or which will jeopardize the tax exempt status of the Corporation under the laws of the United States or the State of North Carolina.

Article III, Section 2d. – Removal of Directors, amended on June 14, 2006

Article III, Section 2a. – Regular Meetings, amended on August 23, 2006

Article III, Section 1b. – Number, Term of Office, and Qualifications, amended on June 6, 2007

Article III, Section 1b. – Number, Term of Office, and Qualifications, amended on April 18, 2008.

Article III, Section 1b. – Number, Term of Office, and Qualifications, amended on January 14, 2009.

Article III, Section 1b – Number, Term of Office, and Qualifications, amended on May 9, 2013


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- Article III, Section 1b – Number, Term of Office, and Qualifications, amended on May 9, 2019
- Article III, Section 1b – Number, Term of Office, and Qualifications, amended on August 11, 2022
- Article III, Section 1d. – Removal of Directors, amended on August 11, 2022
- Article III, Section 1h. – Compensation, amended on August 11, 2022
- Article III, Section 2d. – Notice of Meetings, amended on August 11, 2022
- Article III, Section 2f. – Informal Actions of Directors, amended on August 11, 2022
- Article IV. Section 1 – Committees, amended on August 11, 2022

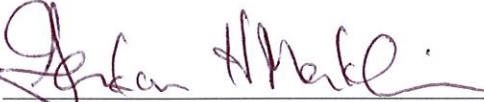
The foregoing Bylaws supersedes all of the Corporation's prior existing bylaws (if any), and was adopted in its entirety on ~~August 11, 2022~~ by the undersigned officers and directors of the Corporation.

 Board Chair
Signature and Title

8/11/22
Date

 Vice Chair
Signature and Title

8/13/22
Date


Signature and Title

8/11/22
Date


Signature and Title

8-11-22
Date

Signature and Title

Date

Signature and Title

Date

Signature and Title

Date