

Municipal Service District Engagement Summary

BACKGROUND

Chapel Hill has a special downtown tax district called the Municipal Service District (MSD). It includes Franklin and Rosemary Streets between Henderson Street and Merritt Mill Road. Since 1989, residents, property, and business owners in this area have paid an extra tax to fund enhanced services that make downtown better.

By state statute, the Town can provide these enhanced services and/or hire another group to do so. Before deciding what services to provide and/or contract for, the Town must ask residents, property, and business owners what services they want and need. This report shares the outreach and engagement that Town staff led, what they learned, and what next steps are.



Business Vitality Manager Sarah Potter facilitating a session.

Engagement Approach

From September – December 2025, Town staff engaged with downtown residents, businesses, and property owners to find out which enhanced services they need most. We created multiple opportunities on different days and at different times:

3 open houses **1** group meeting **5** individual meetings **25** total participants



Participants brainstorming ideas.

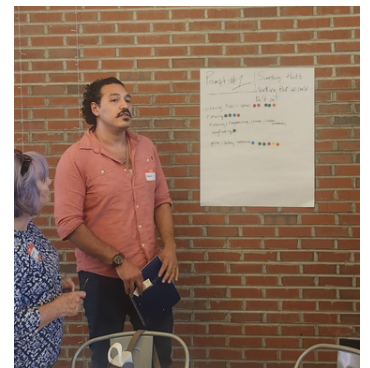
In these sessions, we asked participants three key questions:

What's something that is currently working that we could build on?

What's something that currently doesn't exist that you would like to see?

What's something that is currently funded that you would like to see end?

Participants shared their answers, asked questions of each other and of Town staff, and went through a prioritization exercise to build consensus.



Participant sharing ideas and questions.

Frequent Responses to Questions

What’s something that is currently working that we could build on?

- Increased police presence downtown, both at the substation and with the downtown patrol.
- Increased communications from the Town, especially the “Downtown Update” emails and frequent touchpoints with Economic Development staff.
- Enhanced “clean & green services” provided by Block by Block.

What’s something that currently doesn’t exist that you would like to see?

- More seasonal and event-based decorations (banners, lights, etc) to enhance the visitor experience of downtown.
- More downtown events/activations and to be more involved with the events the Town currently produces (Pride, Juneteenth, Festifall, etc.)

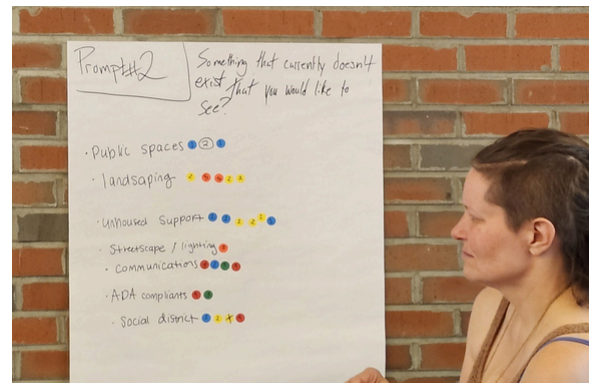
What’s something that is currently funded that you would like to see end?

- Participants had questions about why MSD funds have been used to fund 140 West Franklin.

Findings & Priorities

Participants did a ranking exercise to come to consensus around priorities for enhanced services:

- 1**  **Downtown Community Safety**
- 2**  **Cleanliness**
- 3**  **Activation & Experience**
- 4**  **Landscaping**
- 5**  **Town Coordination / Communications**



Participants ranking their priorities.

NEXT STEPS

We’ll assess which of these priorities can be addressed with Town staff/services and which of these will need to be addressed with an outside contract. For those outside services, we expect to publish an RFP in March.