

# Municipal Services District: Public Hearing for Contracted Services

Town Council Meeting  
June 10, 2026

DRAFT



TOWN OF  
**CHAPEL  
HILL**

# Recommended Action

Council open and close the public hearing for the Municipal Services District (MSD) contracted services.

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# About Municipal Service Districts

- Special tax paid by business and/or property owners to fund enhanced services in a certain area
- Authorized by General Statute 160A-536, which places restrictions on use of funds

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# About Chapel Hill's MSD

- Council approved a downtown MSD in 1989
- It covers Franklin and Rosemary Streets between Henderson St and Merritt Mill Rd

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# How much revenue do we collect?

- Current MSD rate is 0.00055 on every dollar of assessed property value
- For Fiscal Year 2027, the total district tax is expected to yield \$427,000

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# What do stakeholders want?

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

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# How do we budget revenues?

Landscaping & Maintenance	\$ 74,340
Downtown Community Safety	117,660
<b>Contracted Services (Cleaning)</b>	<b>220,000</b>
Operations	15,000
Total	\$ 427,000

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# About the Request for Proposal Process

- 3 respondents
- 2 invitations for interviews
- Final lowest and best offer issued
- Selected Downtown Chapel Hill Partnership (prime) & Block by Block (sub)

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# Contract Scope

- Sanitation & Cleaning of Business District
- Model RESPECT values in service delivery
- Coordinate & Collaborate with Town Staff
- Regular Progress Reports about contract performance

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