

2017 Greater Durham Chamber of Commerce Mayoral Candidate Questionnaire

Candidate's Full Name: Stephen Matthew Schewel

Your current occupation: Visiting Assistant Professor of Public Policy, Duke University

Have you held an elected position before? If so, please describe: Yes. I was elected to the Durham Public Schools Board of Education (2004-2008), including serving two years as vice-chair of the board. I am currently a member of the Durham City Council, having been first elected in 2011 and re-elected in 2015.

Have you ever served on a public board or commission? If so, please state the name of the board and the dates that you served. I currently serve as the chair of the regional transportation authority, the Metropolitan Planning Organization. I also serve as the City Council liaison to the Durham Housing Authority and the Recreation Advisory Commission. I am a current member of the Durham Open Space and Trails Commission and the City's Audit Services Oversight Committee. I chair the Finance Committee of the Mayor's poverty reduction initiative, Transition in Ten. I previously served on the School Merger Task Force and the Blue Ribbon Commission on the Future of Durham High School, which helped establish Durham School of the Arts.

Have you received endorsements from the Durham Committee on the Affairs of Black People, Friends of Durham, People's Alliance, or any other notable organization? If so, please indicate which ones. Yes, I currently have the endorsement of the People's Alliance. In 2015, I received the endorsement of the Durham Committee on the Affairs of Black People, the People's Alliance, and the Friends of Durham.

1. What do you believe to be the most important job of our Mayor? The Mayor of Durham has little formal power. He or she is the first among equals on the Durham City Council while the city manager is hired to manage the day-to-day operations of the City and to hire the City's workforce to do that job well. So the Mayor has two critically important jobs. The first is to make sure that the City has a superb city manager who can run this City well—and Durham has such a city manager in Tom Bonfield. The second critical job of the Mayor is to bring people together across lines of race, neighborhood, language, ethnicity, gender and party—people with different values and different opinions—to identify, face and meet our common challenges.

2. Why have you decided to run for Mayor in the City of Durham? I am running for Mayor because I love this city and I want to see it flourish for everyone who lives here. Since I graduated from Duke in 1973, I have immersed myself in the civic and political life of Durham. I believe that my service has prepared me well to lead us towards the realization of a common vision—a vision of a prosperous, innovative, green and welcoming city that thrives on diversity and difference, that puts racial and economic justice at the top of our civic agenda, that defends the vulnerable among us, that cherishes robust, respectful debate on difficult questions, that embodies the belief that all residents get an opportunity to share in our newfound prosperity, that serves as a progressive beacon for the South and the nation. I am running to make the city we love a city for all.

3. Please define the constituency for our Mayor. The constituency for our Mayor is every single person in Durham. Currently, as a city council member, I am constantly out listening to neighborhood groups and church groups, civic organizations, business people and advocates of all stripes, and if I am fortunate enough to be elected Mayor, I will be listening with an open ear to all voices.

4. Please define the role you believe corporations and businesses should play within the City of Durham. As a life-long businessman myself, I deeply understand the role of business in our city and the challenges businesses face here. I published the Independent for 30 years, employing upwards of 30 full-time staff and many freelance writers. I also owned and operated Hopscotch Music Festival before selling both businesses several years ago. Corporations and businesses play a critical role in Durham. Businesses drive our economy forward and provide the jobs that our residents need to prosper. We need to make Durham a place where businesses feel welcome, where bureaucracy is held to a minimum, where the processes of government never needlessly impede our shared prosperity. We need strong leadership from the business community in all our big civic endeavors including the success of the Durham Public Schools and Durham Tech, our work to provide good jobs and good wages to every Durham resident, and our need to develop the assets that make an attractive city to draw talented people to work here. These assets include parks and trails, sidewalks and bicycle infrastructure, and a great public transportation system. We need business leadership in all these areas.

5. Do you support public-private partnerships through incentive opportunities for incubating and recruiting businesses? Please explain your answer. Yes. I have supported and voted for significant public-private partnerships in the past including tax incentives for 21C hotel, the Chesterfield redevelopment, and Durham ID. In each case, I had a set of criteria which I used to decide whether or not to support the incentive. These included the requirement that the development be cash-positive for the Durham taxpayer from day one; that the developers sign a Durham workforce plan and a commitment to employing minority and women contractors; that there be a significant long-term positive financial impact for Durham taxpayers; that the project be transformative or that it preserve an important historic property; and others. I have also voted in favor of many small grants for new businesses through the City's program to support small business development in key commercial corridors. Now that downtown is booming, it is attracting business investment without the need for tax incentives, and the city council is receiving very few requests for such incentives. I favor using tax incentives similar to the ones that helped develop downtown to incentivize multi-family housing developers to include affordable units in their developments. Let's use our public-private partnerships to build affordable housing in Durham.

6. In 2011, the Greater Durham Chamber of Commerce led a sales tax referendum for multimodal transportation. Given recent updates, do you believe the transit plan still makes sense for Durham in 2017-2019? Also, do you believe this plan supports current and future growth patterns? Please explain your answers. Yes, I am strongly in favor of continuing our drive towards completing the 18-mile, 18-station light rail to Chapel Hill as well as the commuter rail to Raleigh which will run on existing track. As chair of the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization, I work hard on this on a continuing basis. Durham County's

population is expected to grow from 300,000 to 500,000 in the next 30 years. Already I-40 and 15-501 and highway 147 are clogged at rush hour. If we don't have a strong rail system in place in the near future, we will all be stuck in traffic on those arteries and all of our major streets for hours every day. This will strangle the Triangle's economy and deal an enormous blow to our quality of life. We want to avoid the fate of the Atlanta or Washington, D.C. suburbs where people driving to work spend hours every day in their cars stuck in gridlock. Development of a rail system will focus development along the rail corridors, fight sprawl, improve our air quality, provide inexpensive access to jobs for thousands and thousands of residents, and help businesses prosper. In addition, 20,000 people board Durham's bus system every day. We need to make sure that system continues to grow its ridership and remains inexpensive, timely and efficient—and it needs to be closely coordinated with the light rail and commuter rail.

7. Do you support tax or other fee increases to augment revenue growth? Do you feel the private sector should pay a greater cost burden? Please state why or why not. The North Carolina General Assembly gives the City of Durham, and all cities, few revenue options. The property tax is by far our main local option for raising revenue. We get significant sales tax revenue as well for the City's budget, but that revenue is determined by a state formula. So almost all of our revenue growth has to come from the property tax, and that tax is by law applied equally across all classes of property. That is, homeowners and private sector businesses are paying the same amount of tax per dollar of property value. So the private sector is not bearing a greater cost burden than anyone else, and that is as required by law. I do believe that there are areas where we ought to use fees instead of taxes for critical City services, and those are areas where we can incentive policies we want through those fees. For example, we use water and sewer fees instead of taxes to pay for our water and sewer infrastructure and services. What makes this sensible policy is that large users of water pay more per gallon than small users. This incentivizes water conservation which is a critical need for our city and our region and will be more important over time. So in this case, the fee serves an important public purpose. I don't support regressive fees.

8. Please state the top three infrastructure challenges confronting the City of Durham. If elected, how do you plan to help resolve these challenges? Here are the top three infrastructure challenges facing Durham: (1) Construction of the light-rail and commuter rail systems over the next decade: I have discussed this above. Right now, Durham and Orange voters have voted to tax ourselves to build this system, and we need state funding and federal funding to complete it. The state funding, by far the smallest amount, should be forthcoming through the state's transportation project scoring system. And the light-rail project has already reached the federal "engineering phase," and this puts us in line for \$1.2 billion in federal funding for the light-rail if we continue to do our work well. We can get this done. (2) Road maintenance: The worst-maintained roads in the city are roads maintained by the state—most of our main arteries—and we need to continue to work with the state to get them to improve their road maintenance. This is up to our General Assembly and our state DOT. At the same time, we must well maintain the hundreds of local roads which are City government responsibility. To that end, the council has raised its annual road maintenance budget to \$6 million this year. We need to continue to do that important work. (3) Maintenance and reconstruction of our aging water and sewer system: The City has budgeted to spend nearly half a billion dollars in the next five years to continue to replace ancient water and sewer pipes and to rebuild our treatment plants to provide a modern water and sewer system for

our future, to provide continuing excellent water and sewer service to our residents, and to make sure that we have a safe, clean, plentiful supply of drinking water into the future.

9. What should the City's priorities be in working with other stakeholders to develop and preserve affordable housing? I work on the affordable housing issue every single day since it is critically important for Durham. Here are some of the priorities I work on—and which we should pursue in working with other stakeholders to develop and preserve affordable housing: (1) Incentivize private multi-family developers to include affordable units through an enhanced density bonus and tax incentives (see the answer above re tax incentives for more detail); (2) Encourage mixed-use development so that the tax increment realized from the commercial development can help support the affordable housing portion of the development; (3) Continue to provide interest-free \$20,000 second mortgages to Habitat homeowners and assist Habitat with land acquisition; (4) Help Durham Community Land Trustees, CASA and other excellent non-profits buy and renovate affordable properties so that they can be kept permanently affordable; (5) Support non-profit and other developers in making use of the 9% and 4% low-income housing tax credits to build or preserve affordable units; (6) Make use of the Rental Assistance Demonstration (RAD) program to redevelop the Durham Housing Authority's aging communities, which will include financing through private lenders; (7) Work with Durham Public Schools and the State Employees Credit Union and CASA to create affordable rental housing for beginning teachers, which is happening now in Durham; (8) Work with existing partners to build phases II and III of the Lofts at Southside, rental units on the east side of Roxboro Road which comprise a large, successful mixed-income community in which approximately 70% of the units are available to people at or below 60% of the area median income and the rest are market rate. In most of these cases, the City's role is to facilitate partnerships and provide critical financing through our Dedicated Housing Fund which leverages much more private financing.

10. What additional business issue confronting the City of Durham in 2017-2019 do you believe to be the most important? Please explain your answer. In the long run, I believe one of the most important issues that Durham businesses will face is our ability to grow talent here at home. We are attracting more and more businesses that are hungry for educated, talented individuals, especially in the tech and health sectors. Already it is hard to fill many of these jobs. So we need our public schools to be educating our students to get those good jobs with good wages. This is a community task, not just the task of the schools. The city council plays a role because it is our job to make sure that kids who come to school have a safe neighborhood to live in and a warm, dry, affordable house to sleep in every night. But a critical component of improving our schools is making sure we have an excellent, experienced teacher in every classroom. This is mainly the job of the state legislature, and it is failing us in this regard. Fully half of Durham's roughly 2,000 teachers have been teaching for less than five years. This means there is constant churn in the teaching force and not nearly enough veteran teachers. We're not going to solve this until the legislature again makes North Carolina's teacher pay and working conditions competitive with our neighboring states, at least. This is critical to the success of business in Durham.

Signature: Steve Schewel **Date:** September 19, 2017