



City Of Raleigh

NORTH CAROLINA

DATE: October 17, 2014
MEMO TO: Mayor and Council Members
SUBJECT: Council Work Session

The City Council will meet in work session 11:30 a.m. on Tuesday, October 21, 2014, in Conference Room 305, Raleigh Municipal Building, 222 West Hargett Street, Avery C. Upchurch Government Complex, Raleigh, North Carolina.

11:30 a.m. Lunch – Pick up outside of Conference Room 305

Topic 1 City Agency Grant Funding

Staff Resource: Kirsten Larson, Budget & Management Services

Staff will share information about intended continued improvements to the city's annual agency appropriation processes for FY16 and options related to the level of annual Human Services grant funding. Included with the agenda packet are excerpts from the adopted budget regarding funding for these agencies.

Topic 2 Raleigh Union Station Market Assessment Report

Staff Resource: Roberta Fox, Planning, Carl Dawson, David Eatman, Mike Kennon and Gil Johnson, Public Works

At the City Council's March 18, 2014 Work Session, Parsons Brinckerhoff and City staff presented an update of the bus transit component for the Warehouse District / Union Station. The Work Session concluded with a request for information on the effects of transit-oriented development (TOD) in similar markets.

The project team is returning to present a report on the development experiences of other cities that are planning or have completed multi-modal facilities.

Louis M. Buonpane
Chief of Staff

cc: City Manager Ruffin Hall
City Attorney Tom McCormick
City Clerk Gail Smith
Assistant City Managers Marchell Adams David, James S. Greene, Jr. and Tansy Hayward

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Arts Agency Appropriations

The City of Raleigh arts grant program is the official vehicle for municipal support to the city's arts organizations. A program of the Raleigh Arts Commission since 1989, over \$25 million has been distributed to qualifying organizations. The arts grant program has been critical to the development of many of Raleigh's cultural organizations, helping to bring stability to the city's arts community and providing leverage for groups to seek business, foundation and other agency matching grants. Arts and culture-related industries (collectively known as "creative industries") have provided direct economic benefits to Raleigh by creating jobs, attracting new investments, generating tax revenues and stimulating tourism and consumer purchases.

In FY15, arts spending totals \$2,765,745. This includes \$2,115,895 in per capita funding disbursed by the Raleigh Arts Commission based on a \$5.00 rate and an estimated population of 423,179. A portion of the per capita funding is reflected in the Parks, Recreation & Cultural Resources budget for support of the Public Art Coordinator and Arts Grant Program Coordinator positions. An additional \$649,850 of General Fund support is provided to the African American Cultural Festival, Carolina Ballet, North Carolina Symphony, Raleigh Little Theatre, Theatre in the Park, and the Wakefield High School band exposition.

A detailed list of funding provided to arts agencies appears on the following page. Actuals reflect payments made during each fiscal year. They do not necessarily match grant awards approved for those years due to the timing of year-end reimbursement requests. A multi-year history of grant awards is available from the Office of Raleigh Arts.

Additional information regarding Arts Agency Appropriations may be obtained by contacting Sarah Corrin, Arts Grant Coordinator, at (919) 996-4686 or via e-mail at Sarah.Corrin@raleighnc.gov.

Budget Detail

	<u>ACTUALS</u> <u>2011-12</u>	<u>ACTUALS</u> <u>2012-13</u>	<u>ADOPTED</u> <u>2013-14</u>	<u>ADOPTED</u> <u>2014-15</u>	<u>CHANGE</u> <u>FY14 To FY15</u>
DIRECT EXPENDITURES BY SOURCE					
Arts Per Capita	1,702,685	1,865,961	2,082,340	2,115,895	2%
General Fund	310,089	534,231	651,200	649,850	0%
TOTAL	\$2,012,773	\$2,400,192	\$2,733,540	\$2,765,745	1%
DIRECT EXPENDITURES BY TYPE					
Arts Grants	1,434,714	1,502,445	1,694,683	1,667,243	-2%
Other Arts Appropriations	310,089	534,231	651,200	649,850	0%
Arts Commission Programs	182,286	278,846	228,061	274,644	20%
Office of Raleigh Arts Positions	85,685	84,670	159,596	174,008	9%
TOTAL	\$2,012,773	\$2,400,192	\$2,733,540	\$2,765,745	1%

Highlighted Budget Changes (July 2014 – June 2015)

- Starting in FY14, funding for lease agreements for Carolina Ballet, Raleigh Little Theatre and Theatre in the Park is now provided from the General Fund. FY15 arts per capita funding for Raleigh Little Theatre reflects an Arts Grant Program Support award.
- Capital City and Wakefield Band Expos have been moved from the Economic Development Fund to consolidate arts funding in Arts Agency Appropriations.
- Three first-time applicants receive FY15 Arts Grants: North Raleigh Arts & Creative Theatre, Raleigh Dance Theatre and Raleigh Review (a literary organization). Capital City Band Expo, Carolina Dance Foundation, Wake Education Partnership and Carolina Ballet, all funded in FY14, did not submit requests for FY15 funding.
- Funding for International Focus decreases 58% because the organization met eligibility requirements for Program Support but not for Operating Support.

CITY OF RALEIGH

ADOPTED BUDGET 2014-15

	<u>ACTUALS</u> <u>2011-12</u>	<u>ACTUALS</u> <u>2012-13</u>	<u>ADOPTED</u> <u>2013-14</u>	<u>ADOPTED</u> <u>2014-15</u>	<u>CHANGE</u> <u>FY14 To FY15</u>
ARTS PER CAPITA APPROPRIATIONS					
Arts Access	6,500	8,990	11,551	14,595	26%
Arts Commission Programs*	182,286	278,846	228,061	274,644	20%
Arts Together	120,140	99,310	126,300	147,013	16%
Artspace	150,587	120,500	175,000	167,316	-4%
Artsposure	144,916	152,302	173,375	175,000	1%
Burning Coal Theatre Company	63,000	73,950	99,882	89,762	-10%
Carolina Ballet	150,000	150,000	60,601		-100%
Carolina Dance Foundation			10,744		-100%
Classical Voice of NC	9,000	11,190	9,696	11,054	14%
Community Music School	28,000	23,915	30,260	36,450	20%
Contemporary Art Foundation	4,336	80,664	132,653	129,071	-3%
El Pueblo, Inc.	12,000	15,000	22,700	24,125	6%
International Focus, Inc.	23,812	31,688	50,623	21,027	-58%
Justice Theater Project	25,000	33,270	38,321	42,659	11%
Marbles Kids Museum	10,000	5,863	16,968	14,394	-15%
NC Master Chorale	43,000	36,875	48,860	57,026	17%
NC Museum of History Foundation		15,000	21,450	24,036	12%
NC Opera	80,000	100,000	136,203	150,200	10%
NC State University Theater		14,000	12,870	13,939	8%
NC Theatre	163,000	138,250	167,654	168,687	1%
North Raleigh Arts & Creative Theatre				15,736	100%
Nuv Yug Cultural Organization	18,000	8,250	11,370	14,105	24%
Performance Edge			7,080	7,400	5%
Philharmonic Association	14,000	12,245	14,000	17,803	27%
PineCone	84,000	83,948	102,000	98,126	-4%
Raleigh Boychoir	14,174	17,500	18,571	22,063	19%
Raleigh Chamber Music Guild	36,000	31,600	30,543	32,638	7%
Raleigh Civic Symphony Association	6,500	5,340	5,252	6,182	18%
Raleigh Dance Theatre				4,789	100%
Raleigh Ensemble Players	21,500				0%
Raleigh Little Theatre	76,432	73,371	22,861	23,569	3%
Raleigh Review				4,750	100%
Raleigh Ringers	15,000	13,860	19,392	19,843	2%
Raleigh Symphony Orchestra	20,000	14,285	17,468	20,452	17%
Theatre In The Park	30,307	40,747			0%
Visual Art Exchange	58,510	83,531	87,000	86,704	0%
Wake Education Partnership	7,000	7,000	7,000		-100%
Wake Enterprises, Inc.			6,435	6,729	5%
Positions funded by arts per capita**	85,685	84,670	159,596	174,008	9%
TOTAL ARTS PER CAPITA	\$1,702,685	\$1,865,961	\$2,082,340	\$2,115,895	2%
OTHER GENERAL FUND ARTS APPROPRIATIONS					
African American Cultural Festival	24,054	125,900	75,000	75,000	0%
Capital City Band Expo	1,350		1,350		-100%
Carolina Ballet (lease)	100,000	175,000	250,000	250,000	0%
NC Symphony (lease)	183,335	233,331	200,000	200,000	0%
Raleigh Little Theatre (lease)			84,000	84,000	0%
Theatre In The Park (lease)			39,500	39,500	0%
Wakefield Band Expo	1,350		1,350	1,350	0%
TOTAL GENERAL FUND	\$310,089	\$534,231	\$651,200	\$649,850	0%
TOTAL ALL ARTS FUNDING	\$2,012,773	\$2,400,192	\$2,733,540	\$2,765,745	1%

*Actuals include funds transferred to and accounted for in the Parks, Recreation & Cultural Resources - \$74,015 in FY12 and \$51,421 in FY13.

**All years are budget figures. Budget and actuals are accounted for in Parks, Recreation & Cultural Resources.

Human Service Agency Appropriations

The Human Relations Commission awards annual grants to nonprofit organizations that provide services to Raleigh residents who belong to five targeted groups: the elderly, youth, persons with handicaps or disabilities, substance abusers and homeless individuals.

Human Services appropriations total \$1,261,000 in FY15. This includes \$500,000 in grants awarded by the Human Relations Commission (HRC), plus \$761,000 in General Fund support for grants given outside of the HRC competitive process or as a supplement to HRC grants for agencies historically supported by City Council. In FY15, General Fund support is allocated to CASA (\$84,000), Legal Aid (\$45,000), Healing Place (\$100,000), Tammy Lynn Center (\$95,000), Interact (\$50,000), Interfaith Food Shuttle (\$95,000), DHIC (\$108,000), Homeless Support Circles (\$51,000), Passage Home (\$90,000), and the fourth of a five year commitment to Boys & Girls Club (\$50,000.)

Additional information regarding Human Service Agency Appropriations may be obtained by contacting Marionna Poke-Stewart, Volunteer/Human Services Division Program Manager, at (919) 996-45726 or via e-mail at Marionna.Poke-Stewart@raleighnc.gov.

Budget Detail

	<u>ACTUALS</u> <u>2011-12</u>	<u>ACTUALS</u> <u>2012-13</u>	<u>ADOPTED</u> <u>2013-14</u>	<u>ADOPTED</u> <u>2014-15</u>	<u>CHANGE</u> <u>FY14 To FY15</u>
DIRECT EXPENDITURES BY SOURCE					
Human Relations Commission (HRC)	1,124,579	1,254,577	500,000	500,000	0%
General Fund	Included above	Included above	741,000	768,000	4%
TOTAL	\$1,124,579	\$1,254,577	\$1,241,000	\$1,268,000	2%
DIRECT EXPENDITURES BY TYPE					
HRC Competitive Grants	1,124,579	1,254,577	500,000	500,000	0%
Other Grants	Included above	Included above	741,000	768,000	4%
TOTAL	\$1,124,579	\$1,254,577	\$1,241,000	\$1,268,000	2%

Highlighted Budget Changes (July 2014 – June 2015)

- Homeless Support Circles received a \$7,000 increase.

CITY OF RALEIGH

ADOPTED BUDGET 2014-15

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HUMAN SERVICE APPROPRIATIONS					
Alliance of Aids Services		16,245	14,000	14,000	0%
Aventwest Community Dev Corp	5,000	9,375	12,000	12,500	4%
Big Brothers/Sisters Of Triangle	7,250	2,000			0%
Boys & Girls Club		46,486	50,000	50,000	0%
Bridge II Sports	1,250				0%
CASA	89,000	89,000	89,000	89,000	0%
Communities in Schools				5,000	
Community Partnerships	8,000	8,000	8,000	8,000	0%
Concert			2,500		0%
DHIC*	144,833	121,167	108,000	108,000	0%
Filling In Gaps	9,375	9,875	10,000	10,000	0%
Garner Rd Ymca	4,500	7,500	12,500	11,500	-8%
Guiding Lights		505	2,000		0%
Haven House	11,250	32,082	25,000	25,000	0%
Healing Place	100,000	100,000	100,000	100,000	0%
Hilltop Home	14,250	3,750			0%
Homeless Support Circles*	43,283	36,326	44,000	51,000	16%
Hope Center	6,250	7,500	7,500	10,000	33%
Hopeline					0%
Hospice	16,250	23,750	20,000	25,000	25%
Human Service Grant Reserve					0%
Interact	38,750	28,750	75,000	75,000	0%
Inter-Faith Food Shuttle	100,001	100,000	100,000	100,000	0%
JT Locke Resource Center	6,250				0%
Legal Aid Of North Carolina	50,000	50,000	50,000	50,000	0%
Lesbian, Gay, Bisexual, Transgender		3,750	5,000	5,000	0%
Mayors Comm On Disabled**	7,265	4,822			0%
Meals On Wheels	31,875	33,125	35,000	35,000	0%
National Alliance on Mental Illness		3,023			0%
NC Baptist Men	3,800				0%
NC Theatre			2,500		0%
Nessie Foundation	6,250	9,250	10,000	10,000	0%
PLM Families Together	25,409	35,091	28,000	25,000	-11%
Passage Home*	93,465	94,364	90,000	90,000	0%
Prevent Blindness Of NC	5,875	6,250	5,500	7,000	27%
Raleigh Lions Clinic for the Blind		7,000			
Raleigh Nursery	2,415	2,464			0%
Resources For Seniors	24,219	24,508	25,000	25,000	0%
RHA/Heritage Park	12,164				0%
Safechild	20,417	31,250	27,500	22,000	-20%
Southeastern Wake Adult Daycare	2,500	7,750	10,000	25,000	150%
Southlight	15,000	25,000	20,000	18,000	-10%
Step Up Ministry	20,250	21,500	22,000	22,000	0%
Tammy Lynn Ctr	67,433	130,370	100,000	100,000	0%
The ARC of Wake County	8,000	4,500	13,000		0%
Triangle Family Services	12,500	20,750	30,000	32,000	7%
Triangle Radio Reading	2,750	750			0%
Uniting, Inc.				10,000	
Urban Ministry Ctr	28,750	33,750	35,000	30,000	-14%
Vision Credit Education	750				0%
Wake Enterprises	8,000	8,000	8,000	8,000	0%
Wake Health Services Inc	25,000	5,000		20,000	
Wake Interfaith Hosp Network	25,000	26,250	20,000	15,000	-25%
Womens Center	20,000	23,750	25,000	25,000	0%
TOTAL	\$1,124,579	\$1,254,577	\$1,241,000	\$1,268,000	2%

*In previous budget documents, these organizations were presented in Other Agency Appropriations.

Economic Development Fund

The Economic Development Fund provides support for economic development activities that benefit Raleigh. In addition to general fund support, interlocal funds pass through this fund for City/County-approved projects including the Green Square and St. Augustine Stadium projects.

The budget continues funding for the economic development initiatives of Greater Raleigh Chamber of Commerce and the Triangle J Council of Governments. Also funded are economic incentives for downtown employment efforts by Red Hat and tax base increases associated with Green Square. The City continues to support economic development partner agencies in downtown Raleigh, the Hillsborough Street business district, and southeast Raleigh. Raleigh-based nonprofit partners are also supported through free access to a web-based grant locator service. This is the final year of a three year commitment to PNC Arena to provide conference funding.

Additional information regarding the Economic Development Fund may be obtained by contacting James Sauls, Economic Development Manager, at (919) 996-2707 or via e-mail at James.Sauls@raleighnc.gov

Budget Detail

	ACTUALS 2011-12	ACTUALS 2012-13	ADOPTED 2013-14	ADOPTED 2014-15	CHANGE FY14 To FY15
Chamber Of Commerce	223,633	234,658	220,000	170,000	(22.7%)
Citrix Economic Incentive				52,000	
Downtown Loan Pool	50,000	177,174			
Downtown Raleigh Alliance	120,500	108,450	158,450	108,450	(31.6%)
Economic Development Alliances				100,000	
Economic Development Study				77,500	
Entrepreneurship Start-Up Program				100,000	
Grant Locator Service	15,053	15,053	2,500	2,500	0.0%
Green Square Economic Incentive			95,650	100,000	4.5%
Green Square Interlocal Funding	900,000	800,000	200,000	400,000	100.0%
Event Sponsorships				10,000	
Hillsborough St Dev	103,000	106,000	131,000	131,000	0.0%
PNC Arena Economic Incentives	150,000	150,000	150,000	150,000	0.0%
Raleigh Bus & Tech Ctr	150,000	162,000	152,000		
RDU Airport Interlocal Agreement	12,500	12,500	12,500	12,500	0.0%
Red Hat Incentive Grant		100,000	100,000	100,000	0.0%
Rsv-Econ Dev Projects		431,559			
SE Raleigh Assembly	241,352	223,842	207,000	207,000	0.0%
Small Business Loan Program	51,698	2,226	1,000		
St. Aug Stadium Interlocal Fundng	100,000	100,000	100,000	100,000	0.0%
Triangle J Cog	106,102	100,338	101,462	115,000	13.3%
TOTAL	\$2,223,838	\$2,723,800	\$1,631,562	\$1,935,950	18.7%

Highlighted Budget Changes (July 2014 – June 2015)

- Chamber of Commerce funding is reduced to reflect services that will now be conducted by full-time staff in the City's Office of Economic Development.
- Citrix may meet the terms of its economic incentive agreement and be entitled to an incentive payment estimated at \$52,000.
- Two economic development alliances, the New Bern Corridor Alliance and Blue Ridge Stakeholders Advisory Group, are receiving one time funds of \$50,000 each to implement corridor plans.
- Two economic development studies will be conducted, one in the Oakwood/Tarboro Road area and the other in the Cameron Village/Hillsborough Street area. A budget of \$77,500 is allocated for this work.

- The entrepreneurship start-up program is funded at \$100,000. The program will provide start-ups in Raleigh with the resources necessary to develop into thriving businesses. The program will focus on businesses the city is actively seeking to grow, retain and recruit including, but not limited to, businesses focused on technology, social innovation, and fashion designers.
- An appropriation of \$10,000 will allow sponsorship of events that promote and support the city's economic development efforts such as Innovate Raleigh and Hopscotch. These events align with the city's established economic development goals of supporting business growth and talent recruitment and retention.
- The budget for the Small Business Loan Pool is transferred to the Housing and Neighborhoods Department. These funds were used to maintain a property obtained by the Small Business program when a loan defaulted. The Housing and Neighborhoods Department has added the property to its portfolio of affordable rental properties.
- TJCOG funding reflects increased dues which are based on Raleigh's population.

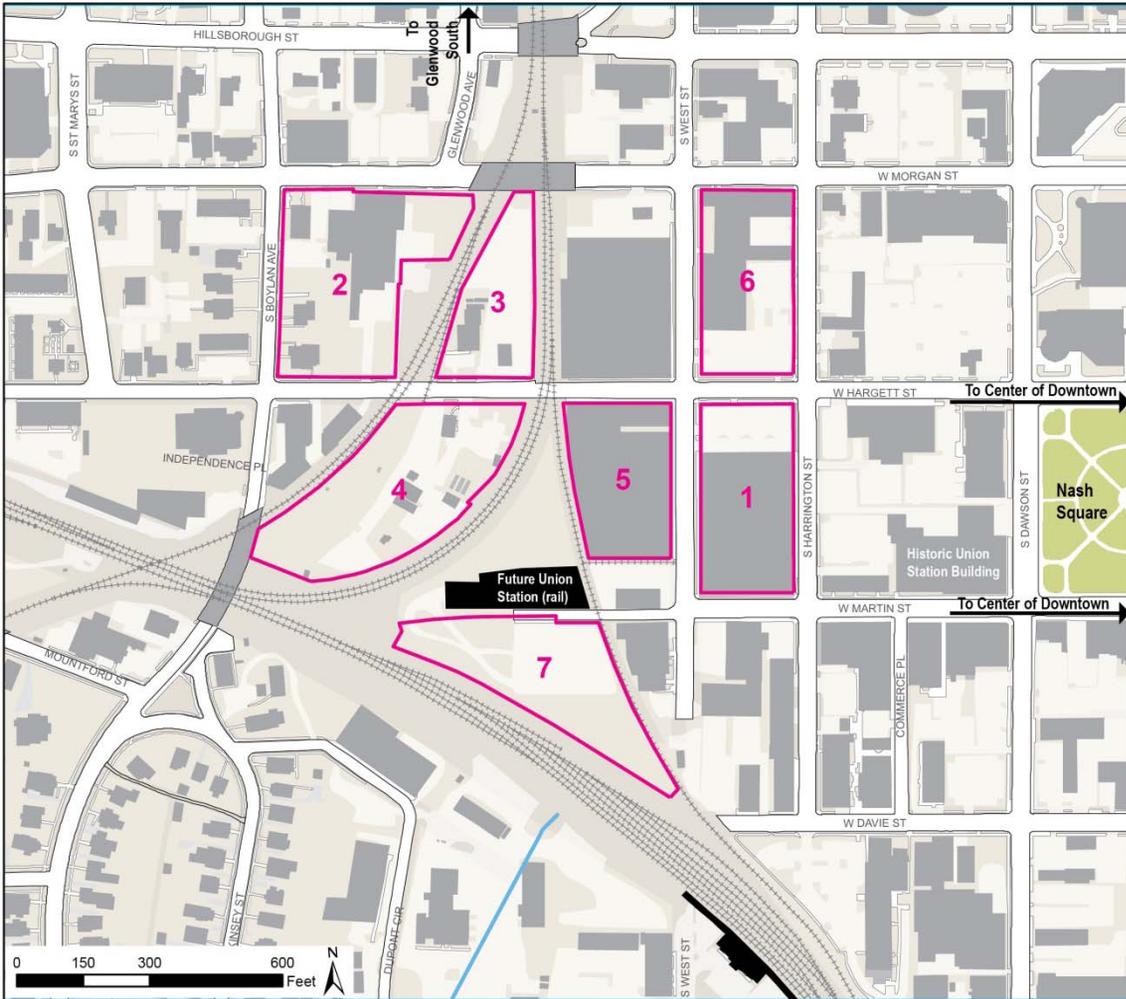
Presentation to City of Raleigh



MARKET IMPACT EVALUATION FOR UNION STATION

**PARSONS
BRINCKERHOFF**

Background & Context



Union Station Bus Facility
Map Projection: NAD 1983 StatePlane
North Carolina FIPS 3200 Feet
Data Source: City of Raleigh GIS

The Objective

- ✓ Create a **Transit Hub** to expand transit use
- ✓ Create **connectivity** to the downtown
- ✓ Create a **new economic center** for the Warehouse District

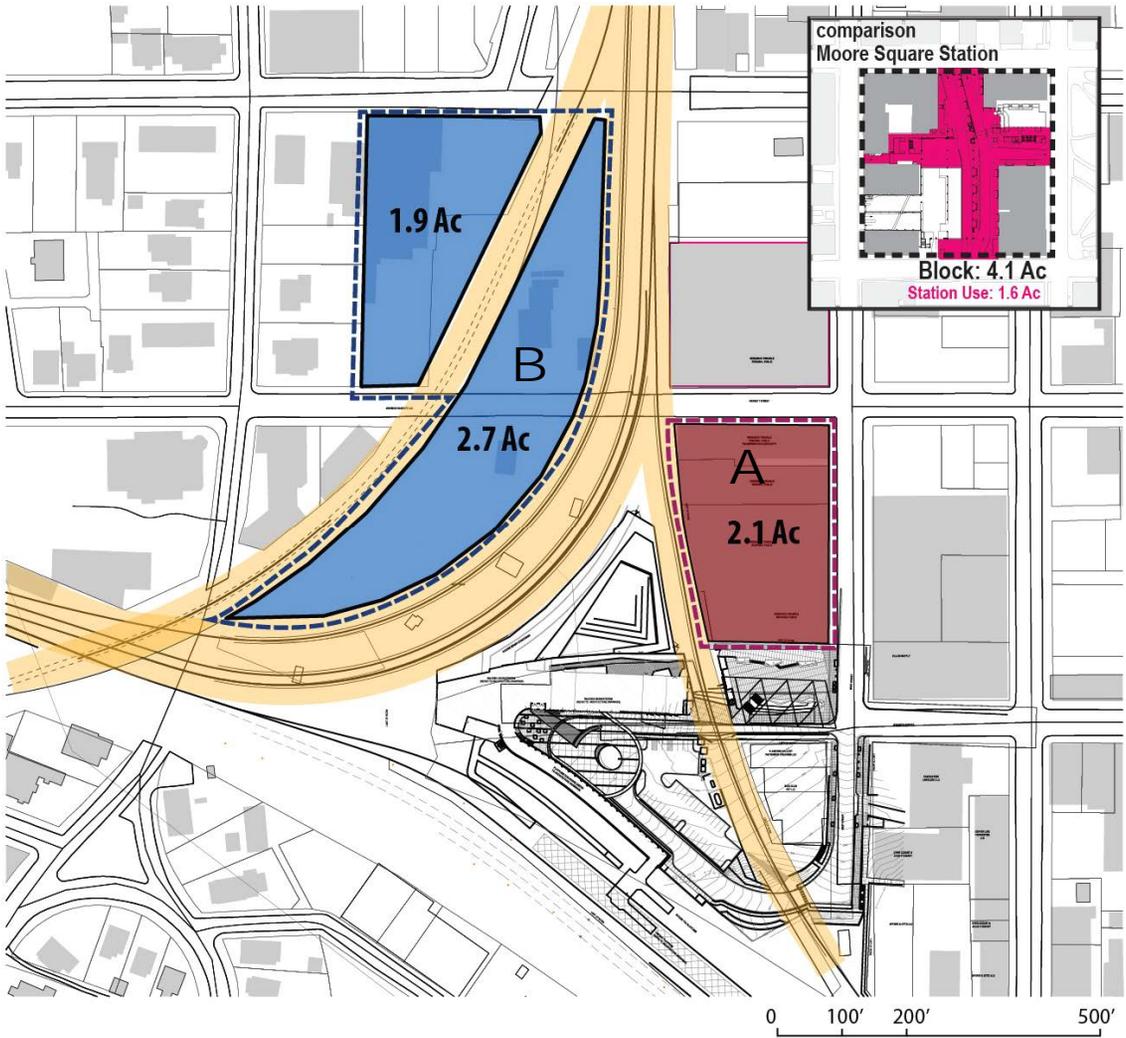


The Challenges

- ✓ Two significantly different sites
- ✓ Varying costs, access and potential for private development
- ✓ Evaluating the site benefits against the objectives



The Sites



Site A: Bus Transit Oriented Development



Site B: Stand Alone Bus Facility



The Concerns

- ✓ Can integration of bus into a transit oriented development be successful?
- ✓ Are land values degraded when bus operations are included in a private development?
- ✓ Does a bus transit oriented development promote economic development?
- ✓ Can incorporating significant parking in a bus oriented development be successful?



The Research

- ✓ **Institute for Transportation & Development Policy** – best return on public investment
- ✓ **National BRT Institute** – rent premiums achieved for proximate development



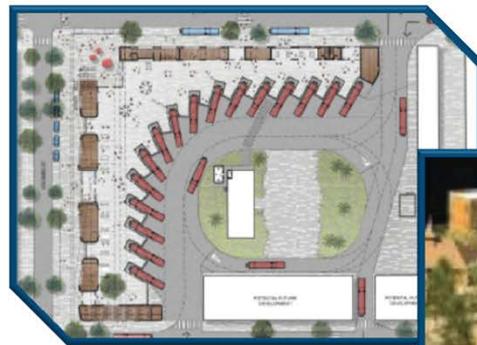
Case Study Findings

- ✓ **No negative impact** on private sector development
- ✓ **No decrease in land values** to immediately surrounding parcels
- ✓ Onsite access to transit an **attractive selling point** to many target end users



Case Studies

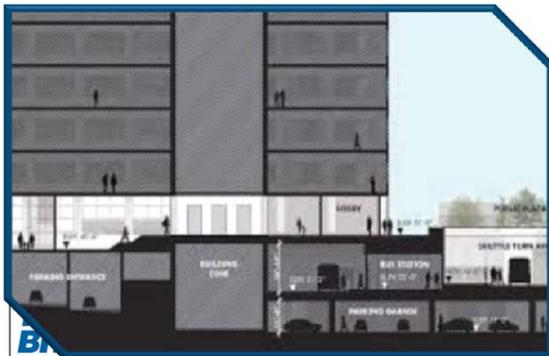
- ✓ U.S., Canada, New Zealand and Australia
- ✓ Differing sized cities – larger and smaller than Raleigh
- ✓ Broad lifecycle cases – well established, under development and in the planning stages
- ✓ Direct contact with transit agencies, developers, brokers and municipal officials



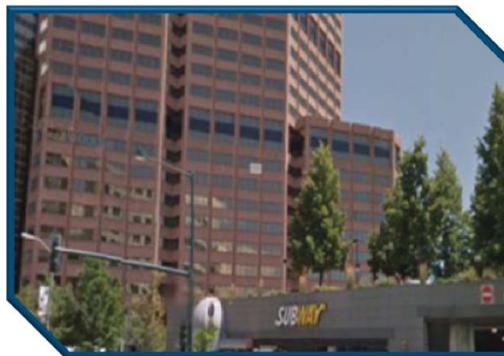
Civic Center Plaza – Denver, CO

- ✓ Regional Transit District constructed the facility and parking
- ✓ The bus facility is within the development project
- ✓ Air rights development by private developer – 22 stories, 586,000 leasable square feet
- ✓ Bus facility a major element in marketing space within the building

Civic Center Building Cross Section



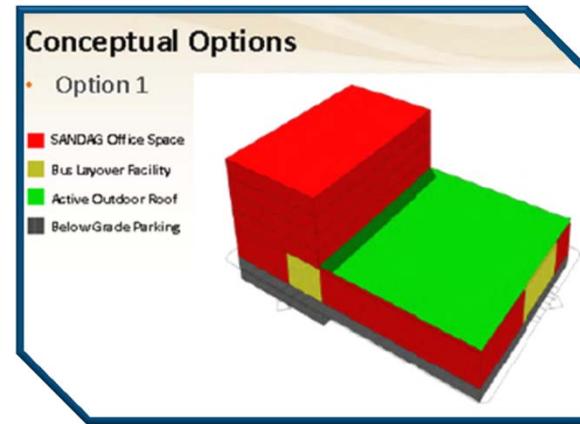
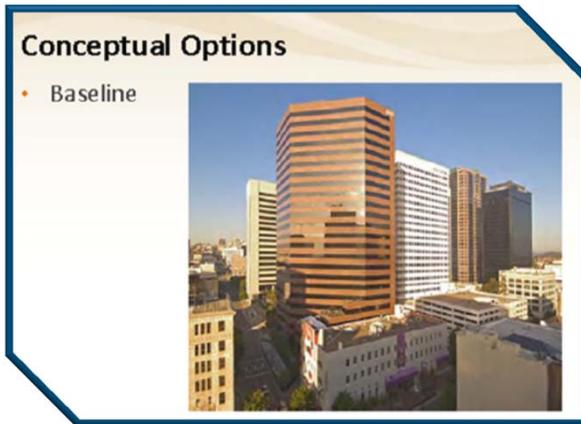
Civic Center Street Level View



Civic Center Plaza



SANDAG Mixed-use Development, San Diego, CA

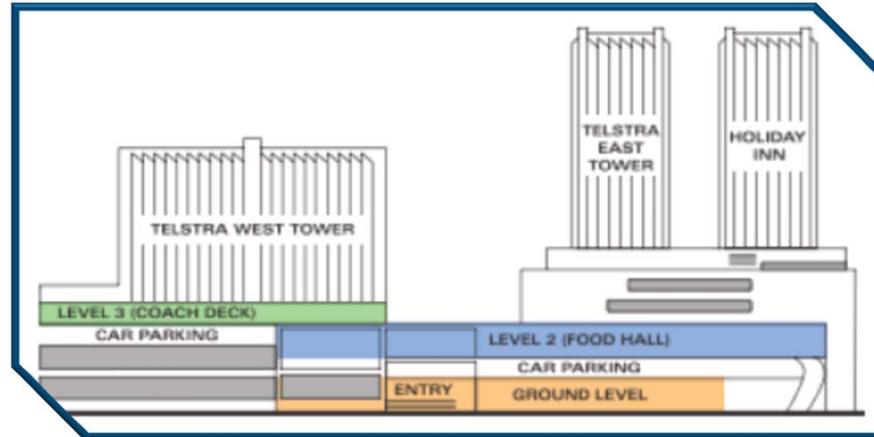


- ✓ Planning for a bus layover facility on a site in downtown San Diego
- ✓ The high rise development will integrate the bus facility and parking along with retail and an office or residential tower
- ✓ A developer vying for the site sees no impediments to achieving market lease rates or sales prices

Brisbane Transit Center, Brisbane, Australia



Brisbane Transit Center

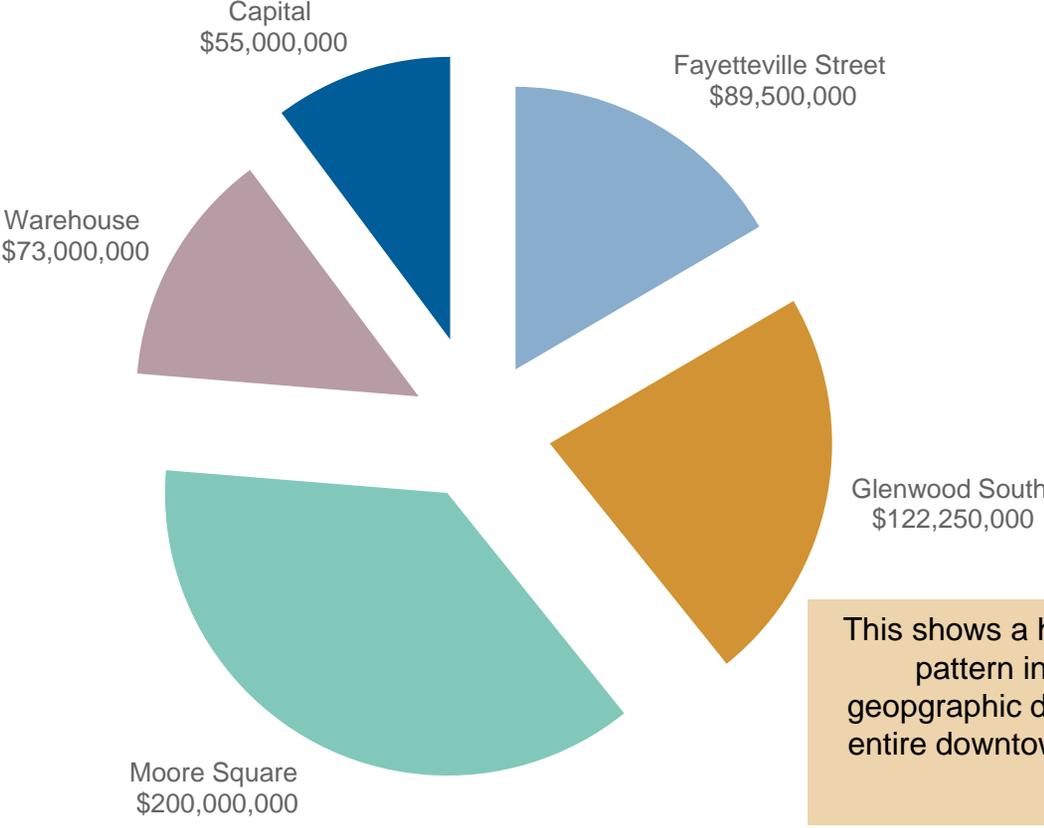


Section for Brisbane Transit Center

- ✓ Adjacent to railway station
- ✓ Bus terminal integrated into a mixed-use development
- ✓ Parking, 2 levels of retail, 334,000 sf of office and a hotel tower

Significant development interest in Downtown Raleigh

Construction Projects By District Under Construction and Announced (2014 - 2017)



This shows a healthy growth pattern in terms of geographic distribution. The entire downtown is growing!

Conclusions

- ✓ Integration of bus facilities into private mixed-use development is occurring across the globe
- ✓ Bus transit oriented development achieves market rents and supports economic development
- ✓ The development community seeks such projects as the bus element adds to the attractiveness of the development
- ✓ A variety of development structures (ground leases, air rights sale and leases and joint development) are being used where bus facilities are on the first floor or below level

Presentation to City of Raleigh



MARKET IMPACT EVALUATION FOR UNION STATION

**PARSONS
BRINCKERHOFF**

