



City Of Raleigh

NORTH CAROLINA

DATE: January 15, 2016
MEMO TO: Mayor and Council Members
SUBJECT: Council Work Session

The City Council will meet in work session 11:30 a.m. on Tuesday, January 19, 2016, 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 - Conference Room 300

Topic 1 Municipal Service Districts - Discussion of Goals and Process
Staff Resource: **Kirsten Larson, Budget and Management Services**

Staff will review with Council the following:

1. What are the current needs, long-range plans and goals for each service district?
2. How should the City solicit input from municipal service district residents and property owners?
3. How should the City address its representation on the DRA and Hillsborough Street CSC boards?

Staff will provide a brief overview of the revised state legislation prior to Council discussion of the MSD goals and process.

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
Joyce Munro, Ben Canada and Kirsten Larson, Budget & Management Services



City Of Raleigh *North Carolina*

DATE: January 2, 2016

TO: Ruffin Hall,
City Manager

FROM: Kirsten Larson,
Grants Program Administrative Manager

SUBJECT: Municipal Service Districts - State Legislative Changes

Background

In September 2015, the State adopted legislation impacting the process by which cities contract with private agencies to provide services within a municipal service district (MSD). An MSD is a defined area in which the municipality's governing board levies an additional property tax to provide extra services to the residents or properties in the district. The additional tax collected can be used for functions specifically defined in state statutes including downtown and urban revitalization. The City of Raleigh has two MSDs – one in downtown, established in FY01, and one along the Hillsborough Street Corridor, established in FY09. The City currently contracts with the Downtown Raleigh Alliance (DRA) and the Hillsborough Street Community Services Corporation (HSCSC) to provide services in the downtown and Hillsborough MSDs, respectively. Annual reports for DRA and HSCSC are attached (Attachments 1 and 2).

Changes to Municipal Service District Legislation

As mentioned previously, the State recently adopted legislation outlining new contracting requirements for MSDs. The revised legislation is attached (Attachment 3). Below are highlights of the new requirements:

- City Council shall determine current needs, long-range plans and goals for the service district.
- City shall:
 - Determine selection criteria for services vendor
 - Solicit input from MSD residents and property owners
 - Use a bid process to select private agency best suited to meet MSD needs
 - Hold a public hearing prior to contract award
 - Require annual written and verbal report from the awarded private agency
- Contract award is time-limited (not to exceed 5 years).

To comply with the revised legislation, staff has put together the following timeline for the FY17 MSD service contract process:

- January
 - Council presentation
- February
 - Public input on current needs in MSD
 - Issue request for proposal (RFP)
- March/April
 - RFPs received and evaluated
 - Contractors selected
- May
 - General public hearing
- By July 1st 2016 – MSD contracts must be in place

This timeline allows for the required public input and RFP process.

Next Steps

Before moving forward in response to the legislation, staff seeks Council feedback regarding (1) the current needs, long-range plans and goals for the service district; (2) how the City should solicit input from MSD residents and property owners; and (3) how the City should handle its representation on DRA and HSCSC boards in light of the new RFP requirements. While additional information to help with future conversations regarding these three items is noted below and will be presented during the Council meeting on January 5, 2016, staff does not have an expectation for Council feedback until the January 19th Council meeting.

(1) What are the current needs, long-range plans and goals for the service district?

Below are three different sources of information to help in thinking about the current needs, long-range plans and the goals of the service districts.

In the original resolution establishing Raleigh's first municipal service district in FY01, the following services were outlined:

- Advocacy on issues such as parking, lighting and capital improvements
- Business development services to attract more businesses and assist in development projects
- Coordinated sidewalk cleaning to remove litter and debris on an as needed basis to assure downtown is clean and attractive
- Safety patrols on bicycles to ensure downtown is safe and friendly
- Increased awareness of the cultural, entertainment, and residential changes taking place downtown

The resolution indicated this list was not intended to be all-inclusive or exclusive.

Below is language from state statute G.S. 160A-536 which defines downtown revitalization in service districts:

As used in this section "downtown revitalization projects" are improvements, services, functions, promotions, and developmental activities intended to further the public health, safety, welfare, convenience, and economic well-being of the central city or downtown area. Exercise of the authority granted by this Article to undertake downtown revitalization projects financed by a service district do not prejudice a city's authority to undertake urban renewal projects in the same area. Examples of downtown revitalization projects include by way of illustration but not limitation all of the following:

- (1) Improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements.
- (2) Construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street.
- (3) Construction of public buildings, restrooms, docks, visitor centers, and tourism facilities.
- (4) Improvements to relieve traffic congestion in the central city and improve pedestrian and vehicular access to it.
- (5) Improvements to reduce the incidence of crime in the central city.
- (6) Providing city services or functions in addition to or to a greater extent than those provided or maintained for the entire city.
- (7) Sponsoring festivals and markets in the downtown area, promoting business investment in the downtown area, helping to coordinate public and private actions in the downtown area, and developing and issuing publications on the downtown area.

In a 2005 study titled *The Business Improvement District: An Internationally Diffused Approach to Revitalization* performed by Lorlene M. Hoyt, Ph.D., Hoyt categorizes the services most commonly provided by municipal service districts throughout the world.

- Capital improvements such as street lighting and greenery, sidewalks and curbs, bus shelters, trash bins, wayfinding signage
- Consumer marketing including events
- Economic development such as incentives or loans to bring in and help expand business
- Maintenance such as street and sidewalk cleaning, landscaping, and graffiti removal
- Policy advocacy including lobbying government for district commercial interests
- Security
- Transportation including parking

(2) How should the City solicit input from MSD residents and property owners?

The City has options to comply with the revised state legislation regarding public input. Options include, but are not limited to, the following:

- One or more public input meetings in both the Downtown and Hillsborough Street MSDs
- An online or paper survey
- A public hearing either during a regular Council meeting or a special session

One final option is to hold one general public hearing following the selection of the contractors. The new state legislation specifically requires a public hearing after selecting a contractor but prior to the contract award.

(3) How should the City handle its representation on DRA and HSCSC boards in light of the new RFP requirements?

The current bylaws for both the DRA and HSCSC state the City shall have two representatives (one Council and one City staff member) on their boards. Councilor Baldwin and City Manager Hall serve as non-voting members on the DRA board. Councilor Crowder and Assistant City Manager Adams-David serve as voting members on the HSCSC board. As the City moves through the bid process, staff wants to be sure there is not a potential conflict of interest in having City representation on agencies bidding to provide services in Raleigh's municipal service districts. Also, does the City want consistency in the voting status of representatives to the two MSDs?



2014 DRA IMPACT

LETTER FROM OUR BOARD CHAIR



The Downtown Raleigh Alliance (DRA) is a strong force for enhancing the quality of life and continuing the economic success of Raleigh's downtown. As stated in our mission, we provide services on a day-to-day basis that have a short-term and long-term impact on downtown's revitalization. The services include: Safety, Hospitality, and Clean Ambassadors; Strategic Branding and Community Communications; Special Events Production; Retail Attraction and Merchant Programming; Strategic Partnerships and Stakeholder Engagement; and Strategic Planning. Below is a snapshot of the organization's impact in 2014.

AN ATTRACTIVE DOWNTOWN: We kept downtown Raleigh attractive with the Ambassador Clean Team and new clean machines **removing 69,520 pounds of trash**

A FRIENDLY DOWNTOWN: We ensure downtown Raleigh is a safe and friendly place to visit with the Ambassador Safety Team spending over **7,000 hours patrolling parking decks**, surface lots, and the streets

A VIBRANT DOWNTOWN: We created some of downtown Raleigh's vibrant activity with **over 80% of downtown merchants benefiting from promotions** such as the First Friday Raleigh Art Gallery Walk, the Downtown Raleigh Gift Card, Downtown Raleigh Restaurant Week, the Raleigh MIX, and Shop Downtown Raleigh

A MEMORABLE DOWNTOWN: We created positive memories of downtown Raleigh by producing Raleigh Winterfest, the Raleigh Downtown Farmers Market, and the Downtown Raleigh Movie Series, which hosted a combined **150,000 attendees**

A PROSPEROUS DOWNTOWN: We supported downtown Raleigh's success by assisting **33 street-level businesses** open their doors

AN ENGAGING DOWNTOWN: We engaged downtown Raleigh residents, visitors, and stakeholders by creating and maintaining useful websites which garnered a combined **8.6 million pageviews**

A CONNECTED DOWNTOWN: We facilitated connections among downtown Raleigh stakeholders by adding **67 new DRA members** and attracting **1,850 professionals** to our networking events

A COLLABORATIVE DOWNTOWN: We provided a forum in every district of downtown to **increase community engagement** and dialogue between residents and merchants, which led to impactful solutions such as the new hospitality district ordinance

A TRANSPARENT DOWNTOWN: We added by-laws and the annual operating budget to our website to continue **increasing transparency** about our services and their impact

We thank you for your continued support of DRA and downtown Raleigh. It has been an honor to serve as board chair, and I thank our stakeholders for the privilege of allowing DRA to carry out such an important mission.

A handwritten signature in black ink that reads "Thomas S. Hill III". The signature is written in a cursive, slightly slanted style.

THOMAS S. HILL III | Highwoods Properties

| | |
|-----------|--------------------------|
| 04 | AN ATTRACTIVE DOWNTOWN |
| 06 | A FRIENDLY DOWNTOWN |
| 08 | A VIBRANT DOWNTOWN |
| 12 | A MEMORABLE DOWNTOWN |
| 16 | A PROSPEROUS DOWNTOWN |
| 18 | AN ENGAGING DOWNTOWN |
| 20 | A CONNECTED DOWNTOWN |
| 22 | A COLLABORATIVE DOWNTOWN |
| 24 | A TRANSPARENT DOWNTOWN |
| 26 | BOARD + STAFF |



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AN ATTRACTIVE DOWNTOWN

A CLEAN DOWNTOWN ATTRACTS MORE INVESTORS and plays a major role in revitalization. New investments lead to rising property values and an expanding tax base that can be used to provide new services. We take pride in enhancing the trash collection service provided by the City of Raleigh. The Ambassador Clean Team contributes by picking up litter, removing graffiti, and performing special maintenance projects. Downtown residents and commercial property owners, as well as business owners, benefit from a well-managed service

that has a positive economic impact for a relatively low cost.

In 2014, the DRA board of directors approved an increase in funding towards the clean program to purchase new clean machines and add ambassadors to provide Sunday cleaning services for the first time in the program's history. By hiring three additional ambassadors, expanding the days of operation to Sundays, and purchasing two new clean machines, the Clean Team is dedicated to keeping up with our growing downtown.

CLEAN MACHINES

The clean machines compact waste to one-third its original size, which reduces dump cycles and cleans more areas in less time. To heighten visibility and awareness of the program, we initiated

a community contest to name the machines. "Wally" and "Izzy"—named after Sir Walter Raleigh and Isabella Cannon, Raleigh's first female mayor—have become a part of our downtown community.

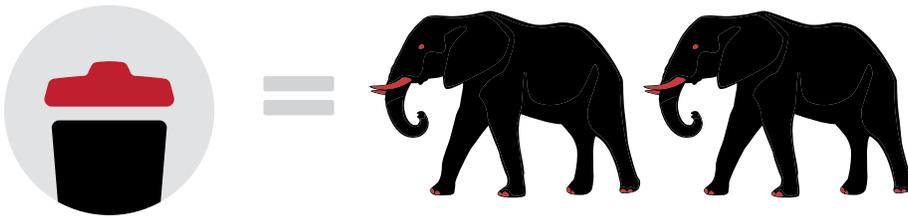
Clean Team Hours:

NEW! Sunday cleaning services have made a big impact on busy weekends in downtown: 7:00 am-3:30 pm

Monday-Friday: 7 am-3:30 pm
Saturday: 9 am-5:30 pm

90% of downtown residents believe that the Ambassador Clean Team is **important** to downtown's **quality of life**.¹

CLEAN MACHINES IMPACT



25,140 pounds
of trash removed

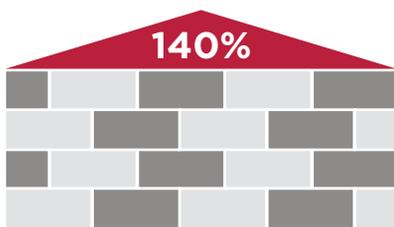
equals the weight of
2 adult male elephants

CLEAN TEAM IMPACT



69,520 pounds
of trash

removed from downtown sidewalks by the Ambassador Clean Team and the clean machines combined



The number of blocks cleaned per week increased by approximately **140%** or **43 additional blocks** to accommodate downtown's increasing activity



Trash pickup increased **170%** with the introduction of the clean machines



Spent **105 hours** on graffiti and weed removal

"By maintaining clean sidewalks and pedestrian corridors, the Ambassador Clean Team directly impacts downtown as a family-friendly destination. With five residential projects planned in Glenwood South alone, the program will be

instrumental in supporting a growing living and working environment in downtown."

JIM BELT, President, Downtown Living Advocates

A FRIENDLY DOWNTOWN

A FRIENDLY DOWNTOWN ENHANCES THE IMAGE OF OUR ENTIRE CITY. Each year, over three million visitors and hundreds of thousands of local citizens add vibrancy to downtown. A positive experience in downtown reflects well on our entire community. That is central to understanding the importance of a safety ambassador program.

Clad in bright red uniforms, the ambassadors patrol the

streets and sidewalks on foot seven days a week, providing a strong uniform presence and elevating a sense of security. They act as safety escorts, provide directions and assistance, and patrol all five downtown districts, serving as additional “eyes and ears” for the police in downtown. The ambassadors are equipped with hand-held radios, which help maximize existing resources to address quality of life situations, such as deterring aggressive panhandling and performing parking deck security.

The Ambassador Safety Team continues to professionalize its services and increase interactions with our community and business partners through the following:

- On-going presentations to new businesses and community groups, such as over 900 Red Hat employees
- Monthly meetings with Raleigh police district captain to strategize on ways to lower crime in downtown
- Assisting Citrix with preparing new employees moving into the Warehouse District
- Certified training for all ambassadors through North Carolina Private Protective Services

“What I like most about living in downtown Raleigh is **feeling safe and the ability to get to all the events on bike or walking.”²**

- Over **83% of people feel safe** walking the streets of downtown Raleigh¹
- Over 94% of people claim that **safety is a very important factor** in influencing downtown’s likeability¹
- 80% of downtown residents believe the **DRA Ambassador Safety Team is important to downtown’s quality of life** and sense of safety²

“One of our Marbles employees was out on the town recently and left her parking lights on. When she returned to her car she found a nice note from an ambassador with a phone number to call if she needed a jump! Her car started up, so she didn’t need to take advantage of the service, but just receiving the note made her feel safe, comfortable and super impressed with the Ambassador program.”

SALLY EDWARDS, President & CEO, Marbles Kids Museum & IMAX Theatre

Ambassador Safety Team Hours:

Monday-Wednesday: 6 am-12 midnight
Thursday-Friday: 6 am-2 am
Saturday: 10 am-2 am
Sunday: 6 pm-12 midnight

Additional Parking Deck Patrols:

Thursday-Saturday: 12 midnight-2 am

SAFETY TEAM IMPACT



7,000+ hours patrolling nine parking decks and four surface lots seven days a week



5,400+ hospitality assists including car assistance, directions, and visitor recommendations



1,639 total safety escorts in 2014—the highest total since the program began



AMBASSADOR OF THE YEAR: CHARLEY WESLEY PENNY, JR.



Charley Wesley Penny Jr. has been named DRA Ambassador of the Year for his leadership, positivity, and dedication. After serving our country in the United States Army for six years and retiring from his job as a truck driver, Mr. Penny joined our DRA Team as a safety ambassador.

As a first-class safety ambassador, Mr. Penny brings his exceptional customer service and leadership skills and strong work ethic to the team. After three years of hard work, he was promoted to a supervisor role in June 2014 and has continued to prove himself worthy of such responsibility. He motivates those around him and promotes the DRA Ambassador Safety Team Program with respect and dignity. Mr. Penny loves everything about his job. "There is no part I dislike," he said, "I love helping people."

"I was turned around inside the convention center and couldn't find my way to the correct parking deck. Charley was gracious enough to not only help me out, he went out of his way to walk me to my car and he helped me carry a box that I needed in the exhibit hall! He went above and beyond and I truly appreciated it!"

VALANDA L. NELSON, MPA, LCAS, CCS, Executive Director, NCPRN, Inc.

A VIBRANT DOWNTOWN



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A VIBRANT DOWNTOWN OFFERS A DIVERSE ARRAY of dining, nightlife, professional services, and retail options, and downtown Raleigh surely does. While many restaurants and bars have opened in recent years, the percentage growth of retailers grew even faster between 2011 and 2014.¹

DRA produces five strategic programs each year to showcase the variety of options in downtown. First Friday Raleigh Art Gallery Walk, Downtown Raleigh Gift Card, Downtown Raleigh Restaurant Week, Shop Downtown Raleigh, and the Raleigh MIX make an impact on Raleigh's economy by attracting hundreds of thousands of customers to downtown.

In 2014, the Downtown Raleigh Gift Card and the Raleigh MIX programs received **Merit Awards** from the International Downtown Association.

58

Soft goods retailers benefit from the marketing of the **Shop Downtown Raleigh** program

97

Galleries, museums, retailers, bars and restaurants participate in **First Friday** each month

32

Nightlife venues opened for the **Raleigh MIX**, held two consecutive Fridays summer 2014

110

Retailers, service providers, bars, and restaurants accept the **Downtown Raleigh Gift Card**

41

Restaurants participated in the 2014 **Downtown Raleigh Restaurant Week**, the highest in the program's history

80%

Of downtown merchants—a total of **181 different businesses**—benefit from at least one of our five programs

SHOP DOWNTOWN RALEIGH + DOWNTOWN RALEIGH GIFT CARD

THE DOWNTOWN RALEIGH GIFT CARD (www.ShopDowntownRaleigh.com/gift-card) offers downtown merchants another opportunity to collectively brand downtown as a shopping destination. For customers, the card offers over 100 opportunities to patronize 10 different types of businesses. A special thanks goes to Citrix for sponsoring the gift card, which will enable us to continue to expand our promotion of this great program. Citrix and McClatchy Interactive purchased hundreds of cards to assist them in their onboarding process for their employees assigned to work in downtown.



"The Downtown Raleigh Gift Card was a fantastic 'Welcome to downtown; now go explore!' gift for the 600 employees that Citrix moved into downtown Raleigh this fall. Citrix was delighted to also sponsor the program, as it drives local spending and encourages engagement in our community. The gift cards have been so well received that we'll continue to use them for local employees as well as visiting guests." -**ASHTON SMITH**, Associate Project Manager | SaaS Division, Citrix



SHOP DOWNTOWN RALEIGH (www.ShopDowntownRaleigh.com) brands the downtown as a unique shopping destination filled with an eclectic variety of shops. The program impacts the local economy by attracting more patrons to downtown. To further promote shopping downtown, we participated in Small Business Saturday, a national event dedicated to supporting small businesses on the busiest shopping weekend of the year—the Saturday after Thanksgiving.

A committee of downtown retailers participating in this program was created to strategize with DRA staff on expanding downtown's opportunities and addressing challenges facing their businesses. Committee accomplishments include the creation of the Shop Downtown Raleigh Flags, a retail tent at the Raleigh Downtown Farmers Market, and a holiday design window contest.

"The Shop Downtown Raleigh program has offered the downtown retail community the opportunity to collaborate with one another to enhance downtown Raleigh as a retail destination. Through this program, the relationship between Nora & Nicky's and the DRA has been a tremendous resource to us since we opened our second location on Hargett Street."

CATHY BROOKS, Owner, Nora & Nicky's

PARTICIPATING GIFT CARD MERCHANTS BY TYPE

| | |
|----|------------------------------|
| 1 | Art Galleries & Studios |
| 2 | Clothing & Accessories |
| 3 | Entertainment Venues |
| 4 | Home Furnishing Stores |
| 5 | Hotels |
| 6 | Live Music Venues |
| 7 | Museum Shops |
| 8 | Restaurants & Bars |
| 9 | Service Providers |
| 10 | Specialty Item & Gift Stores |

GIFT CARD IMPACT

- Customers purchased **1,686 gift cards**
- **Gift Card sales** exceeded \$51,000

SHOP DOWNTOWN IMPACT

- **58** Shop Downtown Raleigh participants
- Over 4,400 Twitter followers—**64% increase from 2013**



YOU **R** CREATIVE

FIRST FRIDAY RALEIGH ART GALLERY WALK

FOR OVER TWO DECADES, THE FIRST FRIDAY RALEIGH ART GALLERY WALK (www.FirstFridayRaleigh.com) has been the hallmark event that establishes downtown's cultural arts scene. On the first Friday of every month, galleries, studios, museums, and alternative art venues extend their hours inviting art revelers to explore this popular event. The self-guided tour attracts thousands to downtown to experience arts and culture and

take advantage of the specials offered. To heighten awareness, DRA has developed and maintained strong partnerships with targeted media. We distribute a monthly coverage report to participating venues, including First Friday articles in Midtown Raleigh News, First Friday picks on Triangle.com, WRAL's First Friday guide, and a summer cover story in the *Triangle Downtowner*.

IMPACT

97

Galleries, museums, retailers, bars and restaurants **participate in First Friday Raleigh** each month

15k

Attend First Fridays monthly

5.1k

Facebook fans—a **23% increase** from 2013

10k

Twitter followers—a **67% increase** from 2013

"Since opening downtown in 2008, we have been an enthusiastic participant in First Fridays. The event has grown every year and continues to bring new faces to our gallery, each and every month. The exposure First Friday brings, for our art and artists, surpasses all other downtown events. We love meeting so many people, of different ages and at different stages in life. It is exciting to see them all out on a single night, enjoying the exceptional creativity that Raleigh has to offer."

ADAM CAVE, Owner, Adam Cave Fine Art

THE RALEIGH MIX

YOU  SOCIAL

THE RALEIGH MIX (www.TheRaleighMix.com) is a nightlife merchant program that draws thousands to downtown Raleigh's hospitality and entertainment venues to explore or rediscover its vibrant nightlife scene. Due to the success of last year's Raleigh MIX, the 2014 event expanded to two

consecutive Friday nights, adding a live music element to further showcase the diverse nightlife in downtown. As a result, the event welcomed thousands to downtown on both nights to enjoy featured music and drink specials at nightlife venues with no cover charge.

IMPACT

- Experienced a **55% increase** in the number of participating merchants
- Attracted over **20,000 patrons** to downtown
- **Increased** Twitter followers by 20%

"Downtown is home to an exciting array of nightlife and entertainment venues, so we saw the MIX as a viable opportunity to not only promote our businesses, but also collectively showcase downtown's thriving nightlife. We experienced two high volume nights on Glenwood Avenue and Fayetteville Street and welcomed patrons to our newest venue, Capital City Tavern. By adding a live music component, the event diversified downtown's nightlife offerings, enhancing its appeal."

DAN LOVENHEIM, Owner, Capital City Tavern/Cornerstone Tavern

DOWNTOWN RALEIGH RESTAURANT WEEK

DOWNTOWN RALEIGH RESTAURANT WEEK

(www.DineDowntownRaleigh.com) celebrates the growing dining scene and culinary talent of downtown's restaurants. Since its inception, the program has made a positive economic impact by inviting patrons to dine out during a seasonal lull. The one-week long event serves as an effective promotional tool for restaurants to welcome new customers.

The 2014 event featured over 40 dining hot spots—our highest level of participants yet. To elevate the fine-dining component, DRA created a new and exclusive "Elite Experience" offering for diners seeking a first-class experience. This new menu option featured four to seven chef-prepared courses with wine, beer, or cocktail pairings to complement each course. Five restaurants offered this menu in addition to the traditional three-course prix-fixe menus.

"We look forward to participating in Downtown Raleigh Restaurant Week every year, and 2014 was especially exciting because we introduced the Elite Experience, which brought in a different echelon of clientele. As August is normally a slower month out of the year, Downtown Raleigh Restaurant Week always brings a very welcomed crowd through our doors."

MAURIZIO PRIVILEGI, Chef-Proprietor, Tuscan Blu

IMPACT

According to post-survey results, participating restaurants revealed that both **sales and number of diners increased by 39% or higher** than the three preceding weeks in August, confirming the event's positive economic impact.

- Attracted over **16,200 diners** to downtown
- Generated over **\$294,000** in restaurant revenue
- Increased online reservations by **61%**
- **31% increase** in Twitter followers

YOU  INDULGENT



A RECORD **18,000+ PATRONS**
SKATED AT OUR OUTDOOR ICE
RINK—THE MOST SINCE THE
RINK OPENED IN 2009

© Carolyn Scott

A MEMORABLE DOWNTOWN

A MEMORABLE DOWNTOWN HOSTS MANY EVENTS FOR VISITORS. We created memorable experiences through our diverse array of outdoor events. With corporate sponsorships and community partnerships, we are able to attract hundreds of thousands of people to downtown with special events.

**Our outdoor events bolstered downtown,
filling the streets with over **150,000 people.****

Raleigh Winterfest, the Raleigh Downtown Farmers Market, and the Downtown Raleigh Movie Series each have a unique purpose, which provides opportunities for various types of visitors. Raleigh Winterfest is a family friendly-event that ushers in the winter season with an outdoor ice rink and the mayor's tree lighting celebration. The Raleigh Downtown Farmers Market is a quality of life enhancement for downtown's 40,000 daytime workers and downtown residents. The Downtown Raleigh Movie Series was created to activate City Plaza during the summer evenings and attract a young professional crowd.

RALEIGH WINTERFEST

IMPACT



Displayed **40-foot**
Norway Aspen Tree with
14,000 LED lights



Attracted **10,000+ visitors**
to the December 6 celebration



16
performance groups and
main stage performers



RALEIGH WINTERFEST (www.RaleighWinterfest.com) is a two-month outdoor winter experience accompanied with a celebration festival. For the past six years, we have transformed City Plaza into a winter wonderland featuring the largest outdoor ice rink with natural ice in the region. Over 18,000 skaters patronized the rink during its two-month season—the highest since the rink opened in 2009. The rink hosted weekly special programming with DJ music, horse-drawn carriage rides, and special discounts.

The 2014 celebration held on December 6 featured a new Gingerbread House Contest and Taste of Downtown, showcasing local talent and culinary cuisine. Event festivities included a carousel, Ferris wheel, a sledding hill, live performances, carriage rides, a beer tent, and the official mayor's tree lighting ceremony. This year, we established a toy donation opportunity, whereby an unwrapped gift could be exchanged for a ride ticket. We donated the toys to Capital City Claus, a nonprofit organization benefiting local families.

"Winterfest gave Rye Bar & Southern Kitchen the opportunity to showcase our new restaurant, food, and staff. The excitement that was shared throughout the community was amazing even with the rain. The planning that went into this event showed the professionalism and cooperation of the DRA staff and volunteers."

MICHAEL RIGOT, Executive Chef and General Manager, Rye Bar & Southern Kitchen



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© Carolyn Scott



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"I look forward to Wednesdays starting in the spring, because I love the Raleigh Downtown Farmers Market. It's perfectly timed for getting out of the office during your lunch break. My plan is to just buy a few locally-grown veggies for the week, but somehow I walk away with fresh-baked bread and delicious goat cheese every single time!"

MELANIE CHERNOFF, Director of Government & Community Affairs, Red Hat



RALEIGH DOWNTOWN FARMERS MARKET

THE RALEIGH DOWNTOWN FARMERS MARKET (www.RaleighEatLocal.com) is the premier venue for locally-grown produce and artisan foods that brought workers, residents, and visitors together to enjoy the downtown community. Our 26-week long Wednesday market offered live music, local lunch options from downtown restaurants,

cooking demonstrations, product tastings, retail merchants, and non-profit partners. During the season, the market produced four local food festivals: Pig Pickin' Kickoff, Summer Feast, CHEESE PLEASE!, and the Honey Buzztival. This year, local tech company, Ipreo, encouraged their employees to eat healthy by purchasing "Market Bucks" for over 150 of their associates.

IMPACT

- Attracted **102,000 market shoppers** to downtown
- Exceeded **\$200,000** in vendor sales on local agriculture and artisan food products
- Brought over **24,000 people** to our four local food festivals
- **Set record high** showcasing 34 market vendors



YOU **R** ENTERTAINED

© Christer Berg

DOWNTOWN RALEIGH MOVIE SERIES



© Christer Berg

THE DOWNTOWN RALEIGH MOVIE SERIES

(www.DowntownRaleighMovieSeries.com) was launched in 2014 to provide a unique summer outdoor experience for the Triangle community. To drive our film selection and activities, we incorporated a made-in-North Carolina theme. Thousands of movie goers descended upon downtown for the six-week event to enjoy featured films on a 30 x 50 cubic foot outdoor screen in City Plaza. The event hosted live performances, food trucks, and a beer and wine garden to elevate the social experience.

"Downtown Raleigh is booming, and this new movie series serves the burgeoning downtown residential and professional community and supports local merchants and retailers. We are delighted to support our downtown Raleigh community through our sponsorship of this new and exciting event."

REBECCA QUINN-WOLF, Director of Client & Community Relations, PNC

IMPACT

- Attracted over **10,000 movie-goers** to downtown
- Activated City Plaza for **six consecutive Fridays**

A PROSPEROUS DOWNTOWN

BUSINESSES DRA ASSISTED IN OPENING THEIR DOORS IN 2014

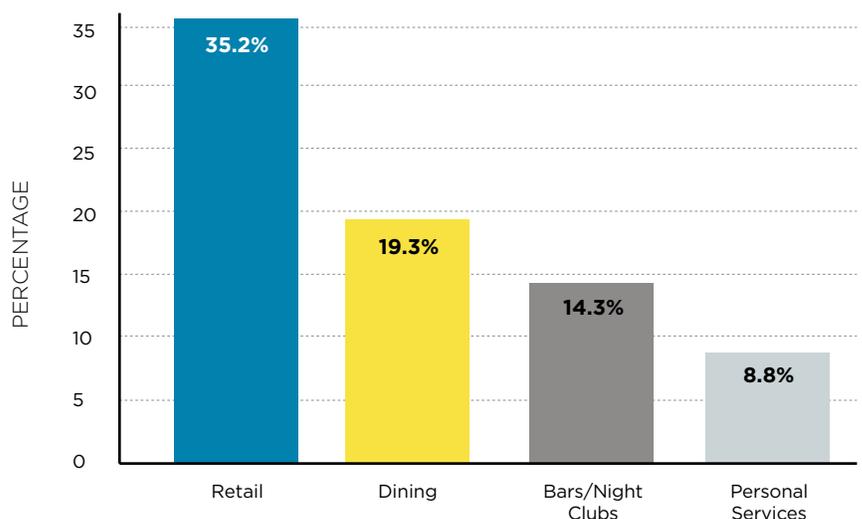
- 214 E Martin Street
- Arborpro LLC
- Arrow Haircuts
- Balance
- Bittersweet
- BREW Raleigh
- Café de Los Muertos
- Capital City Tavern
- Capitol Smoke
- City Club Raleigh
- Common 414
- DeMo's Pizzeria & Deli
- Dogwood Collective
- Edge of Urge
- Element Beauty Bar
- Garland Dining Room and Bar
- Happy + Hale
- Hibernian Pub
- HQ Raleigh
- Lisa Stewart Designs
- Local Color Gallery
- lucettegrace
- MedFirst Medical Center
- North Street Beer Station
- Oak City Meatball Shoppe
- The Oakz
- Runologie
- Rye Bar + Southern Kitchen
- Shucker's Oyster Bar + Grill
- Subway
- SunTrust Bank
- Tasty 8's
- Vintage Church

A PROSPEROUS DOWNTOWN IS ONE WITH ACTIVE STOREFRONT SPACES during the day and into the evening. In partnership with the City of Raleigh's Economic Development Office and the Planning Department, our economic development staff actively works with retail brokers and landlords to fill storefront spaces in downtown. These new and diverse storefront businesses make a direct economic impact by increasing tax revenues and creating employment opportunities. This work fosters an urban environment with a strong retail climate and amenity pool that attracts companies, investors, and residents to downtown.

36 street-level businesses opened in 2014, adding hundreds of new jobs and expanding tax revenues

These new businesses represent a broad range of services such as running apparel, leather goods, craft beer bottle shops, restaurants, beauty salons, and medical care.

PERCENTAGE OF NET GAIN IN BUSINESSES BY STOREFRONT CLASSIFICATION FROM 2011-2014



IMPACT

- **95%** of new businesses are **locally-owned** and independent
- Since December 2010, downtown has added **32 soft goods and specialty gift retailers**
- Downtown has one of the **largest concentrations** of independent retailers in the region



Photo at lucettegrace | © Tierney Farrell

DRA RETAIL DEVELOPMENT INITIATIVES

Improvements in data and analytical capabilities: refined our approach to retail targeting by introducing a more data-driven concept that includes sales leakages, market share, and comparative statistics, all to help use our resources efficiently and build a more successful retail recruitment strategy



© Carolyn Scott

Downtown Raleigh Gift Card: helps to reposition downtown Raleigh as a shopping destination and circulates revenue back into the local economy

Shop Downtown Raleigh: promotes downtown as a culturally exciting shopping destination with a wide variety of unique shops for everyday and specialty items

Recruiting retail prospects: assisted in identifying available spaces, connected with brokers, and provided resources for business plans, and provided tailor-made information packets and tours

Pop-up retail: worked with the Urban Design Center and other interested parties to activate vacant storefronts downtown with retail pop-ups

Storefront inventory: identified the uses of every storefront in our 110-block downtown to analyze trends in vacancies and business types, which helps improve our targeting and recruitment efforts



My Sky Night Time First Place Winner | © Geoff Brown

AN ENGAGING DOWNTOWN

AN ENGAGING DOWNTOWN IS ONE THAT CONSTANTLY COMMUNICATES the great things happening in the center city. We consistently engage our stakeholders, influencers, and the public to heighten visibility of our organization and recognize downtown as a

vibrant and vital urban center. Our target marketing, strategic communications, and media relations continued to make a positive impact on the perception of downtown Raleigh. To gather those perceptions, DRA surveyed stakeholders to gain insight into public opinion, serving as internal benchmarks.

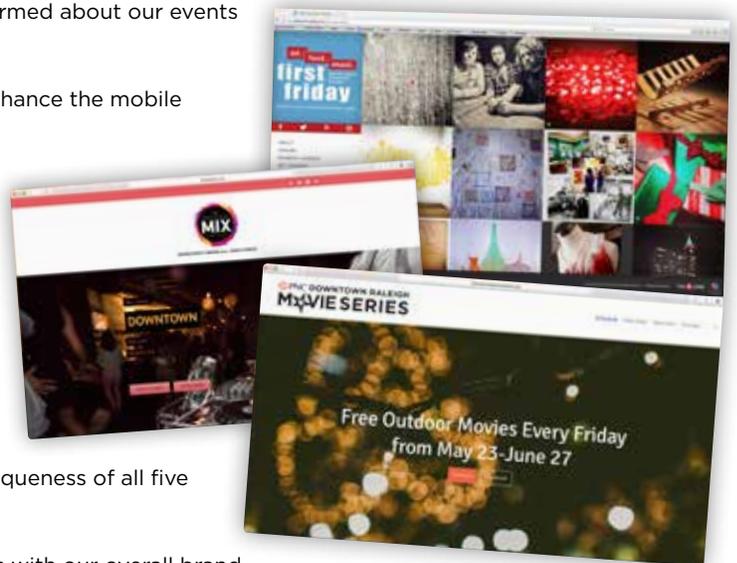
WEBSITE IMPACT

We created **three brand new websites** to keep stakeholders informed about our events and to stay on par with current web design trends.

- Created a new responsive website for First Friday Raleigh to enhance the mobile experience with 18,358 pageviews in December 2014 alone
- Designed and programmed a new website for the Downtown Raleigh Movie Series, which received 9,159 pageviews in May and June 2014
- Designed and programmed a new responsive website for the Raleigh MIX with 9,567 pageviews—a 45% increase from 2013

Featured additions to www.YouRHere.com

- Added district-specific pages to generate awareness of the uniqueness of all five downtown districts
- Added an events page to link DRA special events and programs with our overall brand



MARKETING

To keep up with the growing demands in graphics production, the board approved making our part-time graphic design position a full-time job. The process of creating printed materials and website development improved immensely.



YOU R HERE BRANDING

Our award-winning “You R Here” tagline put downtown Raleigh on the map. It showcases downtown as a place of unique experiences and captures downtown’s vibrant, diverse, and innovative spirit. It inspires community involvement while fostering pride and ownership in downtown. We look forward to reviewing our brand in the upcoming year to ensure it reflects our vision for downtown’s future.



“As a downtown resident, I enjoy living in the center of activity. Every day is a new adventure here in downtown, and you never know what festival or new business you may find. Thankfully, the DRA provides a monthly Downtown Raleigh Events Newsletter, so I can stay connected with the latest restaurant and retail openings and upcoming exhibits, concerts, and festivals.”

BRENNA MCDANIEL, Downtown Resident, The HUE



MY SKY CONTEST

During the month of September, we hosted a skyline photo contest in which we invited both amateur and professional photographers to submit their best 2014 photos of Raleigh’s skyline. A jury comprised of individuals from each of the sponsor organizations selected four winning photographs—two night and two day—that showcase the growing skyline. First place winners received a \$750 cash prize and second place winners received a \$500 cash prize in exchange for the rights to share the photographs with other Raleigh advocates.

COMMUNICATIONS CAMPAIGNS

- Downtown Resident Survey
- Downtown Stakeholder Survey
- First Friday E-Newsletter
- Farmers Market E-Newsletter
- Member E-Newsletter
- Member Update E-blasts
- Downtown Events and Updates E-Newsletter
- Quarterly Economic Development Reports
- Weekly Street Closure Notification

DRA PROGRAM WEBSITES

- www.DineDowntownRaleigh.com
- www.DowntownRaleighMovieSeries.com
- www.FirstFridayRaleigh.com
- www.RaleighEatLocal.com
- www.TheRaleighMix.com
- www.RaleighWinterfest.com
- www.ShopDowntownRaleigh.com

IMPACT

8,600,000

Website **pageviews** on all of our sites combined

67,784

Overall social media followers—**a 40% increase** from 2013

16,000

Receive our monthly **downtown events** and updates e-newsletter

419

Print and online **marketing pieces** designed

251

DRA **media mentions**

147

Media **partners**

48

Press releases and media alerts distributed



A CONNECTED DOWNTOWN

A CONNECTED DOWNTOWN IS CHARACTERIZED BY MANY NETWORKS of business associates and community stakeholders that share a vision and commitment to continue the success of the area. We bring these groups together by producing membership programs, executing networking opportunities, and providing information and resources.

MEMBERSHIP

Our membership program brings executives, business owners, government officials, nonprofit partners, residents, students and downtown supporters together. These supporters are members of DRA to associate themselves with a reputable organization that prides itself on its professionalism and strong work ethic. Members are supporting the vision of a successful and growing downtown that will offer a wide array of business development opportunities.



© Carolyn Scott

ANNUAL MEETING AND DOWNTOWN ACHIEVEMENT AWARDS CEREMONY: Our premier event provides an update on DRA's accomplishments. We also recognize the contributions of individuals, businesses, and organizations that are making downtown Raleigh a vibrant urban core. Attendees are inspired and educated about key topics relevant to downtown's growth and revitalization.

- Over **900 downtown advocates** and prominent business leaders attended the 2014 event.



© Carolyn Scott

LADIES LUNCH DOWNTOWN: The primary goal of the event is to promote and support female leaders in downtown Raleigh who are enhancing downtown's quality of life and economic success. The event is a perfect opportunity for women to network and learn more about DRA and our membership program. In 2014, we celebrated women in downtown Raleigh's retail industry with an "Experience Downtown Shopping" themed event.

- Over **150 downtown advocates** attended the 2014 event.



© Carolyn Scott

STATE OF DOWNTOWN RALEIGH: Each year, this event provides a comprehensive market analysis of Raleigh's Municipal Services District (MSD) for the purpose of informing and exploring new partnerships with the investor and real estate community. This is the premier event for developers, brokers, and economic developers whose clients would benefit from learning more about Raleigh's MSD.

- Over **500 downtown advocates** attended the 2014 event.

MEET DOWNTOWN: We host bi-monthly Meet Downtown networking events for members to stay informed about downtown and DRA updates, build and develop relationships, and connect with staff.

- Over **300 downtown advocates** attended the five events held in 2014.

DRA BOASTS A BROAD RANGE OF MEMBER BUSINESSES



REPORTS AND RESOURCES

The DRA is a thought leader and market expert in all things downtown. We produce many customized and annual reports to update the local community of downtown's successes and opportunities. Our research capacity has grown significantly

over the past year. Our reports provide a comprehensive collection of data and statistics, including office, residential, and retail, highlighting trends for developers, real estate brokers, and investors.

ANNUAL REPORT, DRA IMPACT

To keep our stakeholders updated, this annual report provides a comprehensive overview of the organization and recognizes our mission's impact on downtown revitalization.

STATE OF DOWNTOWN RALEIGH

The State of the Downtown Raleigh report shows the main market trends impacting the economy of downtown. The report is a useful guide for investors and for the community to learn about the growth and success of downtown.

QUARTERLY ECONOMIC DEVELOPMENT REPORT

The Economic Development Report provides a quarterly update about downtown's progress. It provides an overview on the organization's partnership with the city as it relates to retail recruitment.



"We always speak of the change in downtown. One thing I hope that continues to stay the same is the sense of community. DRA is a huge part of that. I love being able to tell our prospective clients about the atmosphere and events downtown. It's what brought our company to the market and what makes it successful. Thank you, DRA, for all of your contributions!"

TARA WILSON, General Manager, Regus Group

IMPACT

- 431 dues-paying members including **67 new members**
- Hosted **12 grand opening** events and ribbon cutting ceremonies
- **Attracted over 1,850** total attendees to networking events

A COLLABORATIVE DOWNTOWN



A COLLABORATIVE DOWNTOWN RECOGNIZES that no single person or organization can revitalize a downtown or sustain its success; it takes a team effort. We have increased our collaborative efforts over the past year by tapping into a robust knowledge base, reducing overlap, and increasing opportunities for success.

DISTRICT COLLABORATIVES

DRA supported the creation of stakeholder groups in each district to create a collaborative environment in which solutions can be applied to the unique needs of each district. These inclusive meetings consist of business owners, residents, government employees, and property owners, and we

encourage the public to attend. Our role is to convene regular meetings for these groups and provide leadership that focuses on teamwork and results. These collaboratives provide an opportunity to address specific issues, share information and opinions, and turn achievable objectives into action items.



GLENWOOD SOUTH DISTRICT

The Glenwood South Neighborhood Collaborative meetings are led by Committee President, Jim Belt and DRA staff leader, Ashley Melville.

- Developed a noise ordinance that promotes communication and cooperation between business owners and residents
- Created a monthly e-newsletter to showcase businesses, raise community awareness, and promote events
- Established a tree knitting sweater project to enhance community involvement; blankets created from the tree sweaters were donated to residents of Glenwood Towers

FAYETTEVILLE STREET DISTRICT

The Fayetteville Street Neighborhood Collaborative meetings are led by DRA staff leader, Mike Stephens. In 2014, the committee focused on cleanliness and event management.

- Created a district action committee called the Livable Streets Committee
- Advocated for installation of two additional Big Bellys on Fayetteville Street
- Worked with the City Events Management office to modify policies and procedures to mitigate effects from street closures

WAREHOUSE DISTRICT

The Warehouse District Collaborative meetings are facilitated by DRA staff leader, Lacie Lindstaedt.

- Conducted a sidewalk audit that will be used to further the development of the district
- Featured a float in the WRAL Raleigh Christmas Parade that showcased the diversity of the district
- Met at Citrix and received a tour of the new building

MOORE SQUARE DISTRICT

The Moore Square District Collaborative held their first meeting in November with DRA staff leader, Bill King. The stakeholders plan to address key issues and set goals to kick off their 2015 agenda.

District collaboratives provide forums to **increase community** engagement and dialogue, leading to **impactful solutions.**

WIDE OPEN LATE: BLUEGRASS AFTER HOURS

DRA partnered with the International Bluegrass Music Association, the Greater Raleigh Convention & Visitors Bureau, and the Raleigh Convention Center to build the connection between the festival and downtown merchants.

To support nightlife venues during the International Bluegrass Festival, Wide Open Late Night was created to drive traffic to local businesses who were hosting bluegrass events. The event had 20 bluegrass bands at 10 downtown venues the evenings of Friday and Saturday, October 3-4, 2014. As a result, the nightlife venues were able to capitalize on the thousands of people in town for the event.

DOWNTOWN APP

In collaboration with city partners, the DRA is developing a new downtown Raleigh app which will help visitors find parking, keep track of events and road closures, and find local businesses and merchants. The Raleigh City Council approved funding for the development of the downtown app and contributed \$5,000 for the project. The highly anticipated downtown app expects to launch in 2015.



R-LINE

Promoting the R-LINE, downtown's free circulator, with the City of Raleigh, clearly illustrates how the adoption of our "You R Here" brand by partner organizations increases our visibility, establishes brand equity, and raises awareness about downtown amenities.

- Over 8,000 riders in just one week during IBMA's World of Bluegrass and the Wide Open Bluegrass Festival—a 66.5% increase in daily ridership
- Over 252,700 people rode the R-LINE in 2014

2025 DOWNTOWN RALEIGH EXPERIENCE PLAN

In partnership with Raleigh's Planning Department and its Urban Design Center, our staff acted as the management team assigned to facilitate the community planning process. The goal is to bring forth a draft plan to city council in 2015, and we are excited about the many initiatives being recommended in this plan. We thank our corporate sponsors who donated \$250,000 to the City of Raleigh that was used to hire a consulting firm to assist in the development of the plan.

DOWNTOWN FREE PUBLIC WIFI

We promote downtown public WIFI with the City of Raleigh to enhance downtown's image as a technologically-innovative destination.

- Co-branded the free WIFI as "You R Connected" to further enhance the downtown Raleigh brand

SPONSORSHIP SUPPORT

- Greater Raleigh Convention & Visitors Bureau (GRCVB) Annual Meeting
- Iron Man 70.3 Competition
- Wide Open Bluegrass Convention and Festival
- The "Works!" Fourth of July Celebration
- Glenwood South tree sweater project
- Skyline painting by Dan Nelson for Chavis Community Center

PROMOTIONAL SUPPORT FOR EVENTS + ORGANIZATIONS

- Activate Raleigh
- Artsposure
- Boys and Girls Club
- CompostNOW
- First Night Raleigh
- Hops and Shops Market
- Hopscotch Music Festival
- Junior League of Raleigh Shopping Spree!
- Kidznotes
- The Most Amazing Race Raleigh
- PineCone
- Raleigh Revolt
- Shop Local Raleigh
- World of Beer Festival

A TRANSPARENT DOWNTOWN

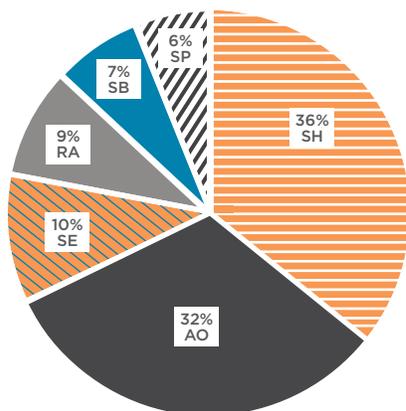
IN 1996, THE DOWNTOWN RALEIGH ALLIANCE WAS CREATED AS A BUSINESS-LEAGUE NONPROFIT association for the purpose of revitalizing downtown. The by-laws state that DRA was created for the delivery of services funded by the municipal services district (property assessment): to attract investors, businesses and developers to downtown; to recruit retail and service businesses; to promote and encourage development; to undertake activities to promote a positive image of downtown and to improve its marketability; and to maintain continuous and positive dialogue with government leaders. As you can see, our organization now fulfills its purpose more than ever through its core services and by virtue of our success and growth.

To further implement its mission, Raleigh Civic Ventures (RCV) was created in 1998 as a subsidiary of DRA to serve as a supporting organization. Creating RCV expanded our potential revenue sources by providing opportunities for charitable donations.

In 2008, the combined budget for both organizations was less than \$1 million. At that time, our budget was significantly smaller than that of comparable downtown organizations operating in cities with similar populations to Raleigh. Six years later, the combined \$2.4 million budget provides a diverse array of revenue streams that leverage one another. Multiple revenue streams reduce the risk to the organization by not relying heavily on any one source of revenue, which is a challenge for all nonprofits.

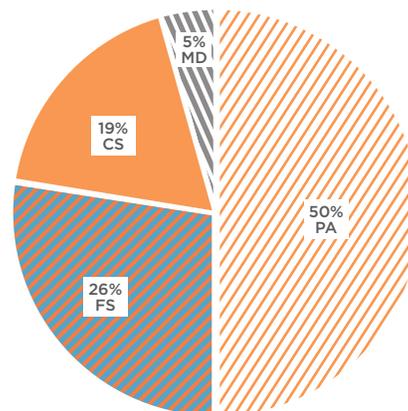
Annually, our finance committee develops the operating budgets that are approved by the board of directors. The organization operates with a balanced budget and demonstrates fiscal responsibility by remaining debt free. Langdon & Company LLP, an independent accounting firm, audited the combined financial statements of DRA and RCV for fiscal year ending June 2014 confirming sound financial standing for both organizations.

2014-2015 COMBINED BUDGETED EXPENSES

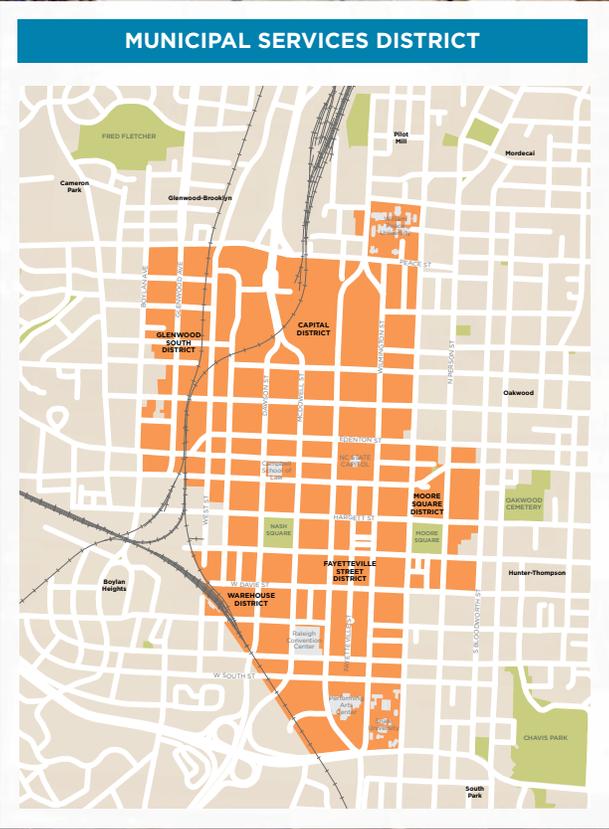
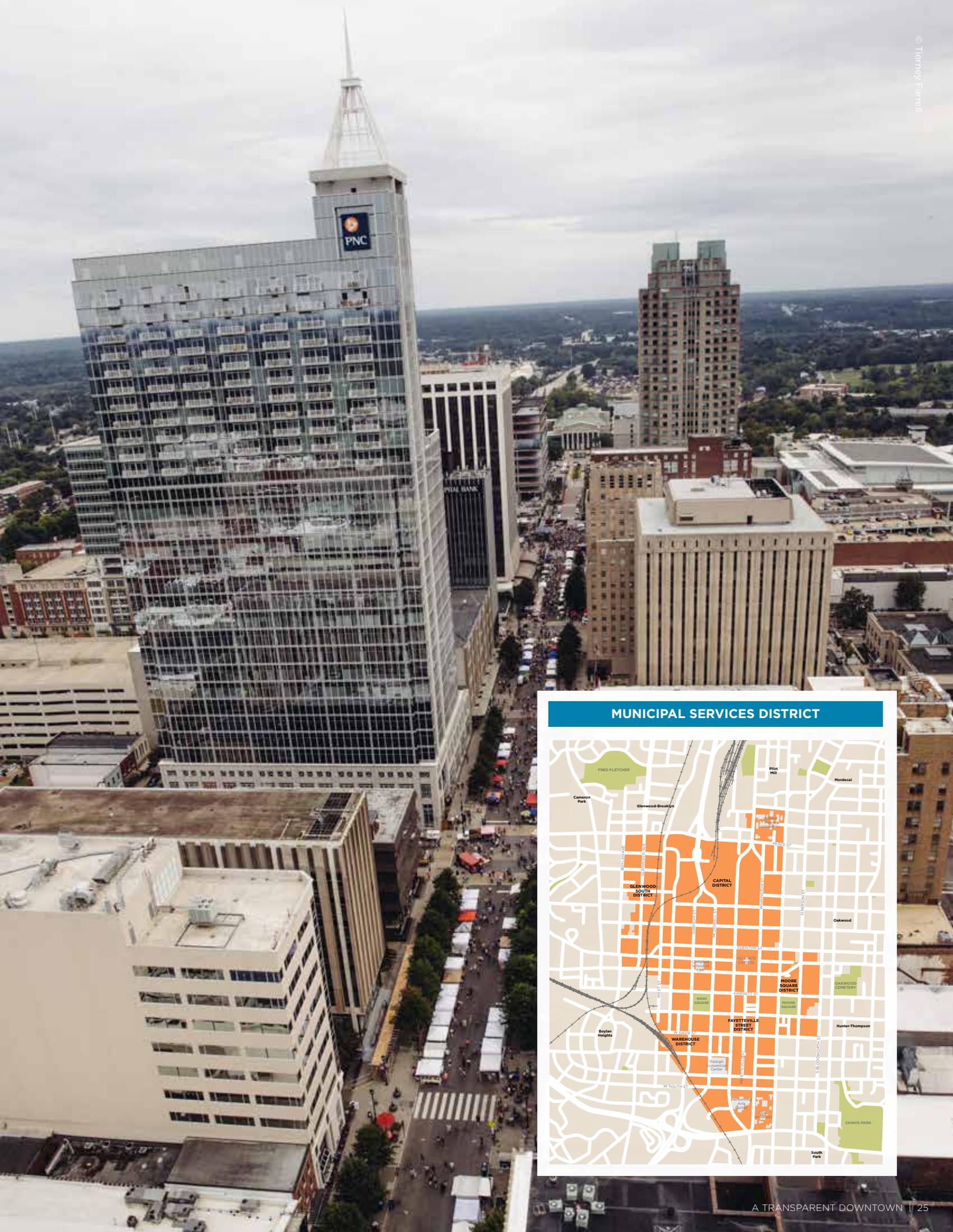


- Safety, Hospitality + Clean (SH)
- Advocacy + Operations (AO)
- Special Events Production (SE)
- Retail Attraction + Merchant Programs (RA)
- Strategic Branding + Community Communications (SB)
- Strategic Partnerships + Stakeholder Engagement (SP)

2014-2015 COMBINED BUDGETED REVENUES



- Property Assessment (PA)
- Fee for Service (FS)
- Corporate Sponsorships (CS)
- Member Dues (MD)



BOARD + STAFF

The DRA board of directors and staff work as a team. The board provides leadership and sets the strategic direction for the organization. The staff implements the board's direction on a day-to-day basis.

STAFF

JEAN CARROLL | Special Events Coordinator
jeancarroll@downtownraleigh.org

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MIKE STEPHENS | Director of Operations
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KATIE-ROSE TUTTLE | Special Events Manager
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STEPHANIE WILSER | Bookkeeper
stephaniewilser@downtownraleigh.org

OFFICERS + EXECUTIVE COMMITTEE 2015

Rebecca Quinn-Wolf
Chair
PNC

Jason Smith
Treasurer/Chair-Elect
18 Seaboard Restaurant

Thomas S. Hill III
Immediate Past Chair
Highwoods Properties

Sharon Moe
Secretary
North State Bank

Joseph "Bo" Dempster, Jr.
Legal Counsel
Poyner Spruill

Jill Wells Heath
At-Large
Mulkey Engineers & Consultants

Jon Wilson
At-Large
Kimley-Horn and Associates, Inc.

David A. Diaz (Ex-Officio)
President + CEO
Downtown Raleigh Alliance

BOARD OF DIRECTORS 2015

Mary-Ann Baldwin (Ex-Officio)

City of Raleigh

Pam Blondin

Deco Raleigh

Clymer Cease, Jr.

Clark Nexsen

Ashley Christensen

AC Restaurants

Marty Clayton

Duke Energy

Leon Cox

Sheraton Raleigh Hotel

Sally Edwards

Marbles Kids Museum & IMAX Theatre

Gaddis Faulcon

Shaw University

Sue Glennon

Hampton Inn & Suites Hotel at
Glenwood South

Ruffin Hall (Ex-Officio)

City of Raleigh

Jim Hartmann (Ex-Officio)

Wake County

Kathy Higgins

Blue Cross and Blue Shield of NC

Andy Holland

Wells Fargo Bank

Chad T. Lefteris

Rex Healthcare

J. Rich Leonard

Campbell University School of Law

D. O'Hara Macken

Ipreo

David Meeker

Downtown Resident, West at North

Sarah Powers

Visual Art Exchange

Gregg Sandreuter

Hamilton Merritt

Harvey Schmitt (Ex-Officio)

Greater Raleigh Chamber of
Commerce

Nate Spilker

Citrix

Josh Stein (Ex-Officio)

NC General Assembly

Andrew Stewart

Empire Properties

Anthony Tata (Ex-Officio)

NC Department of Transportation

Caroline F. Welch

WTVD-TV/ABC 11

THANK YOU TO OUR 2014 OUTGOING BOARD MEMBERS

Jim Belt

Downtown Resident, 510 Glenwood

Richard French

French/West/Vaughan

Debra M. Townsley

William Peace University

OUR MISSION

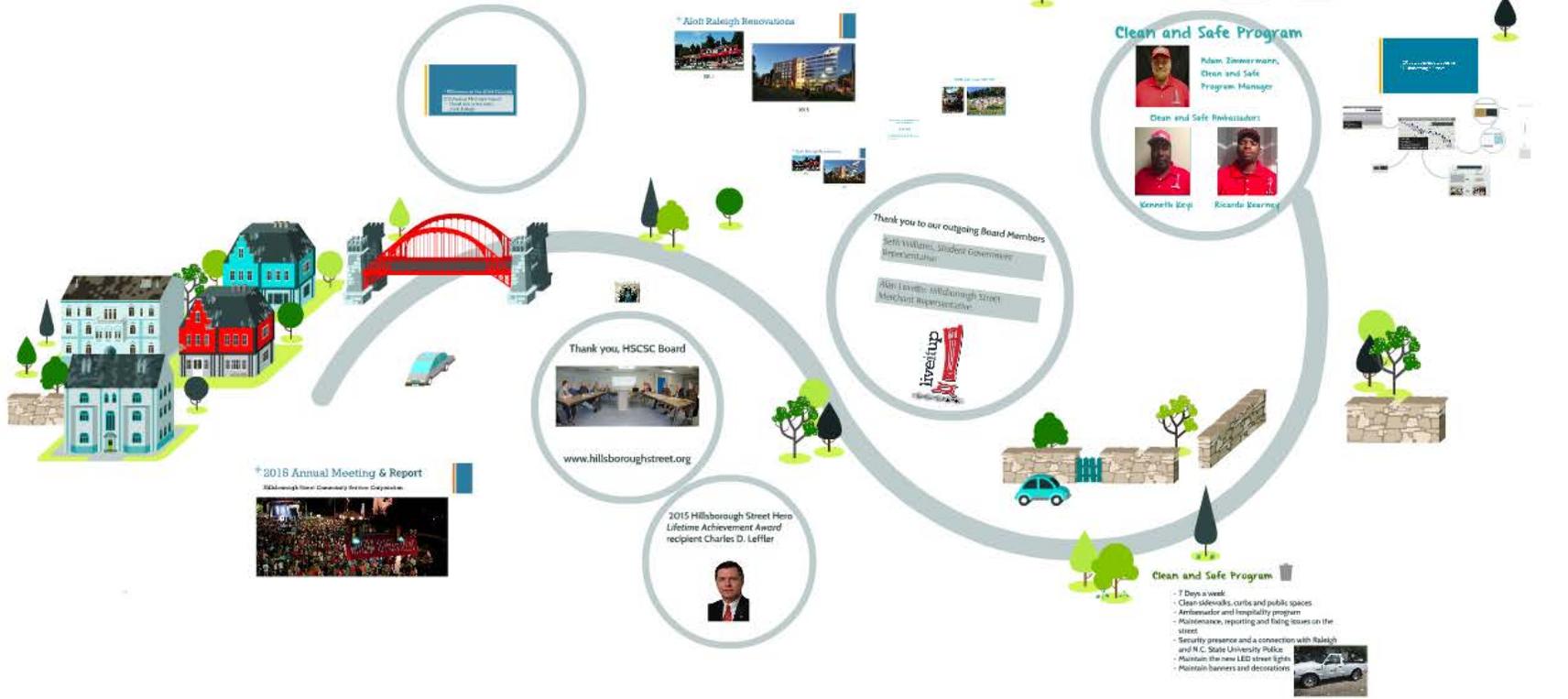
The Downtown Raleigh Alliance is an award-winning nonprofit organization whose mission is to continue the revitalization of Raleigh's downtown by enhancing its quality of life and contributing to its economic success. On a day-to-day basis, DRA provides six core services that have a short-term and long-term impact on downtown:

1. Safety, Hospitality + Clean Ambassadors
2. Strategic Branding + Community Communications
3. Special Events Production
4. Retail Attraction + Merchant Promotions
5. Strategic Partnerships + Stakeholder Engagement
6. Strategic Planning



DowntownRaleigh
Alliance

2015 Annual Report Economic Boom



+ 2015 Annual Meeting & Report

Hillsborough Street Community Service Corporation



+ Welcome to the Aloft Raleigh

2015 Annual Meeting & Report

- Thank you to our hosts:
Aloft Raleigh

+ Aloft Raleigh Renovations



2011



2015

Welcome to all the Elected Officials



**2015 Hillsborough Street Hero
Lifetime Achievement Award
recipient Charles D. Leffler**



Thank you, HSCSC Board



www.hillsboroughstreet.org



2011



2015

Thank you to our outgoing Board Members

Seth Williams, Student Government
Representative

Alan Lovette, Hillsborough Street
Merchant Representative



hillsboroughstreet



Prezi



Staff



David Dean, Director of Programs



Will Gaskins, Economic Development Specialist

Clean and Safe Program

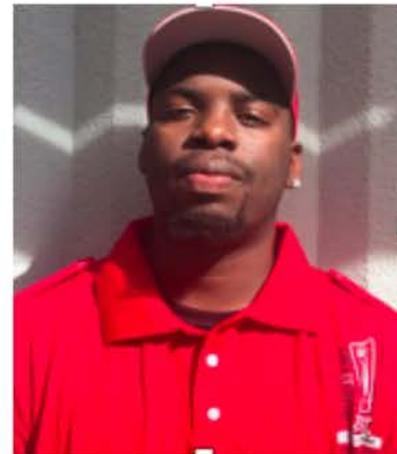


Adam Zimmermann,
Clean and Safe
Program Manager

Clean and Safe Ambassadors



Kenneth Keys



Ricardo Kearney



Thank you to our Interns!!





Clean and Safe Program



Adam Zimmermann,
Clean and Safe
Program Manager

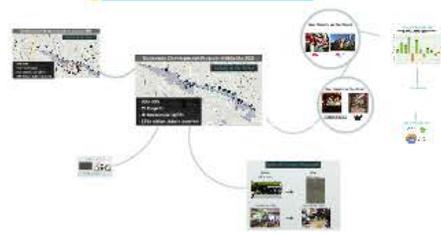
Clean and Safe Ambassadors



Kenneth Kees



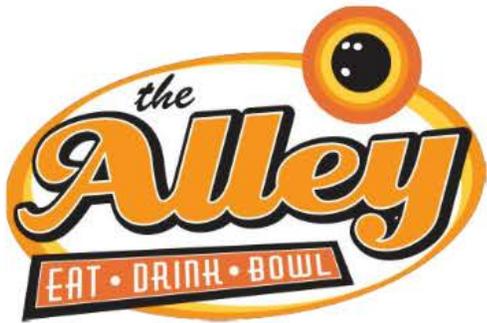
Ricardo Kearney



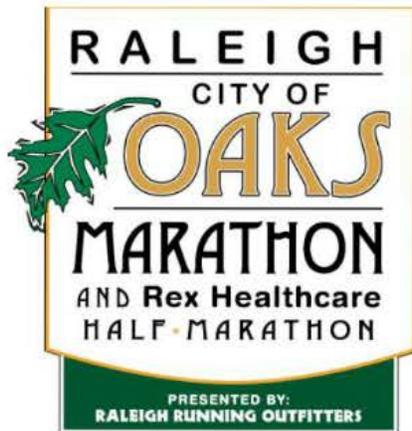
Thank you to our supporters!



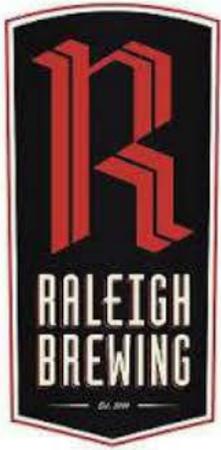
+ Friends of Hillsborough Street



+ Friends of Hillsborough Street



+ Friends of Hillsborough Street



Bell Tower Parking, LLC



+ Friends of Hillsborough Street



NC State Real Estate Office

barefoot press

+ Friends of Hillsborough Street

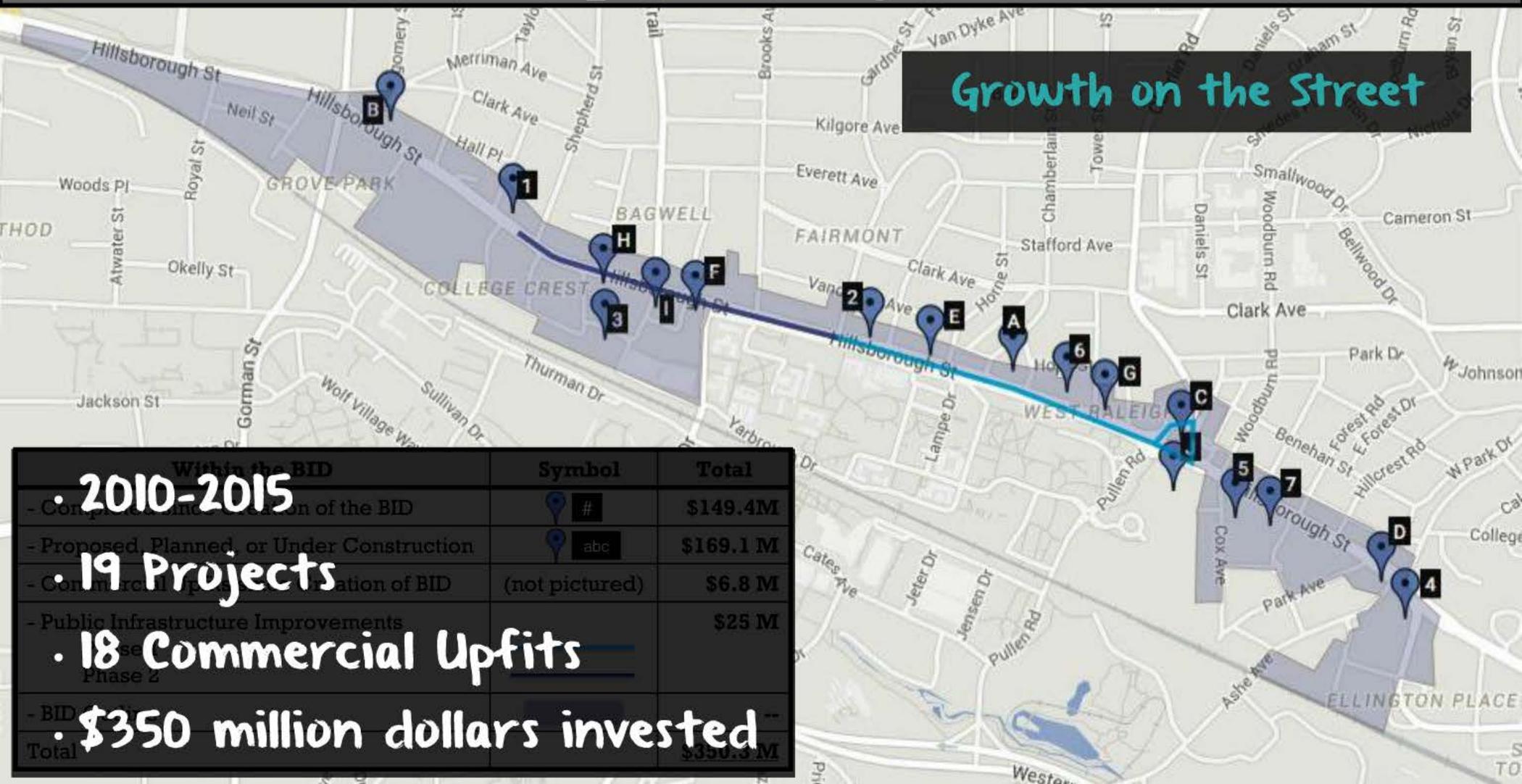




2015 Economic Boom on + Hillsborough Street

Economic Development Projects within the BID

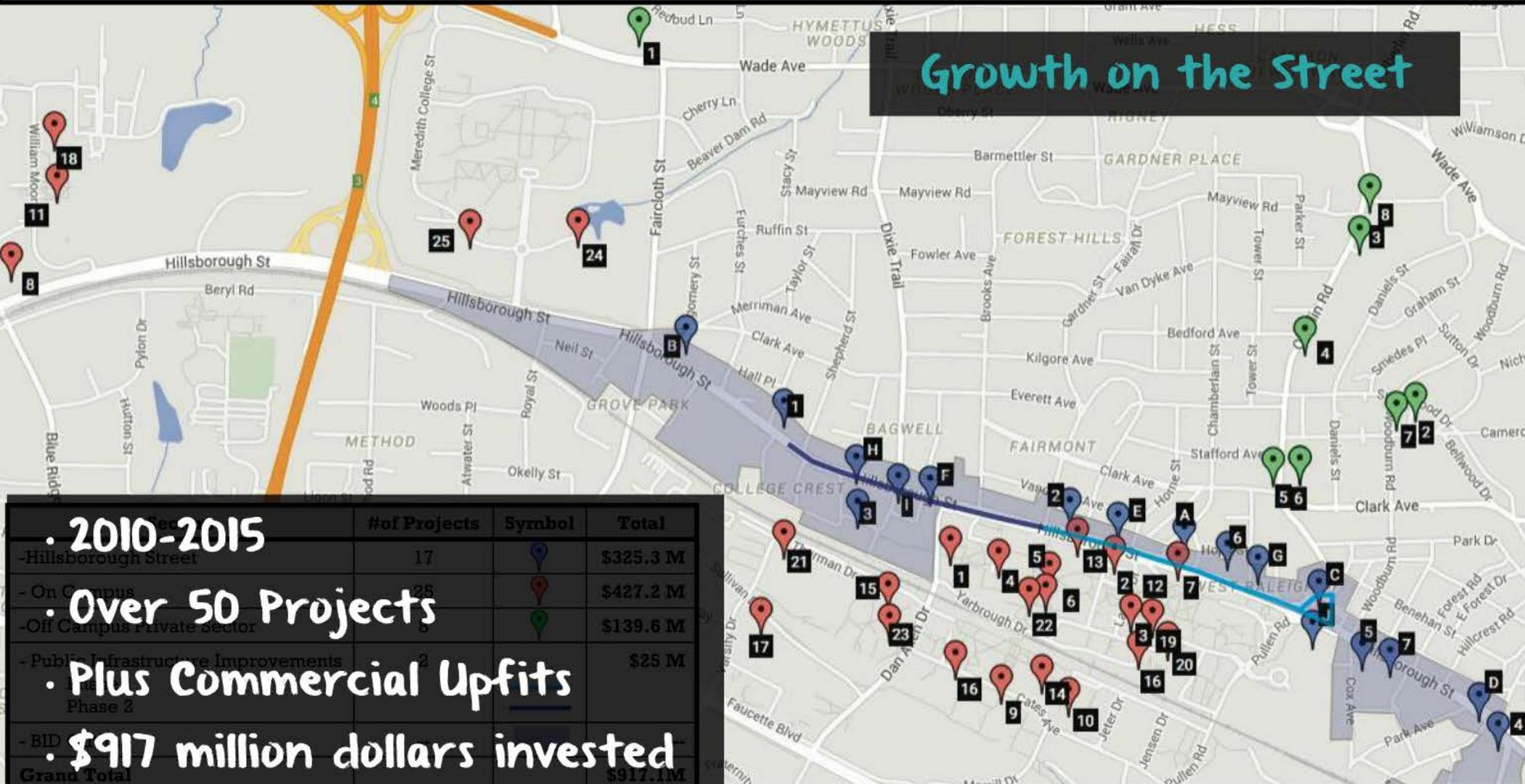
Growth on the Street



| Within the BID | Symbol | Total |
|---|----------------|-----------|
| • 2010-2015 | | |
| - Completed Economic Development of the BID | # | \$149.4M |
| - Proposed, Planned, or Under Construction | abc | \$169.1 M |
| • 19 Projects | (not pictured) | \$6.8 M |
| - Commercial Upfits | | \$25 M |
| • 18 Commercial Upfits | | |
| - Public Infrastructure Improvements | | |
| • \$350 million dollars invested | | |
| - BID Total | | \$350.3 M |

Development Projects inside & near the BID

Growth on the Street



| 2010-2015 | #of Projects | Symbol | Total |
|--------------------------------------|--------------|--------|-----------------|
| - Hillsborough Street | 17 | | \$325.3 M |
| - On Campus | 25 | | \$427.2 M |
| - Off Campus Private Sector | 5 | | \$139.6 M |
| - Public Infrastructure Improvements | 2 | | \$25 M |
| - BID Phase 2 | | | |
| - BID | | | |
| Grand Total | | | \$917.1M |

Over 50 Projects

Plus Commercial Upfits

\$917 million dollars invested



Upfit of Current Merchants

Before

Waffle House



After

Waffle House



I Love New York Pizza



Revitalization of Old Spaces



- 240 seat, casual, full service restaurant
- Design will include a bar, open kitchen and lots of seating

New Tenants on the Street



CVS/pharmacy



aloft
HOTEL

New Tenants on the Street



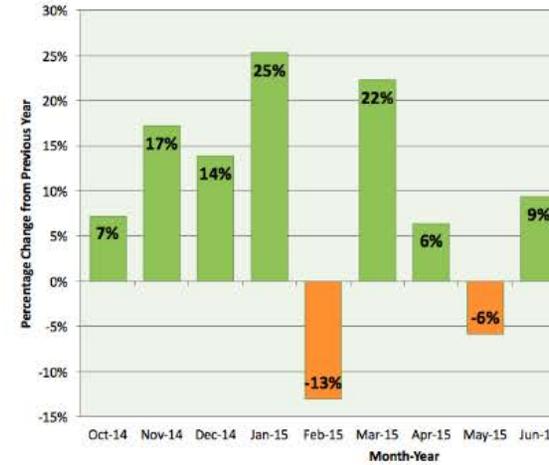
GONZA TACOS Y TEQUILA



liquid
state

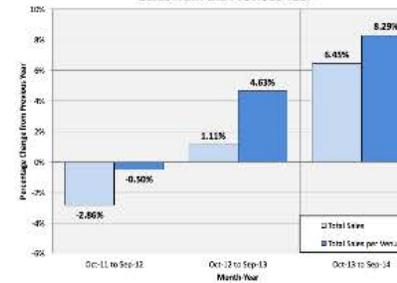
Food and Beverage Sales

Percentage Change in Food & Beverage Sales Previous Year for the Last 12 Months



Food and Beverage Sales

Percentage Change (Year over Year) in Food & Beverage Sales from the Previous Year



New Tenants on the Street



GONZA TACOS Y TEQUILA



New Tenants on the Street



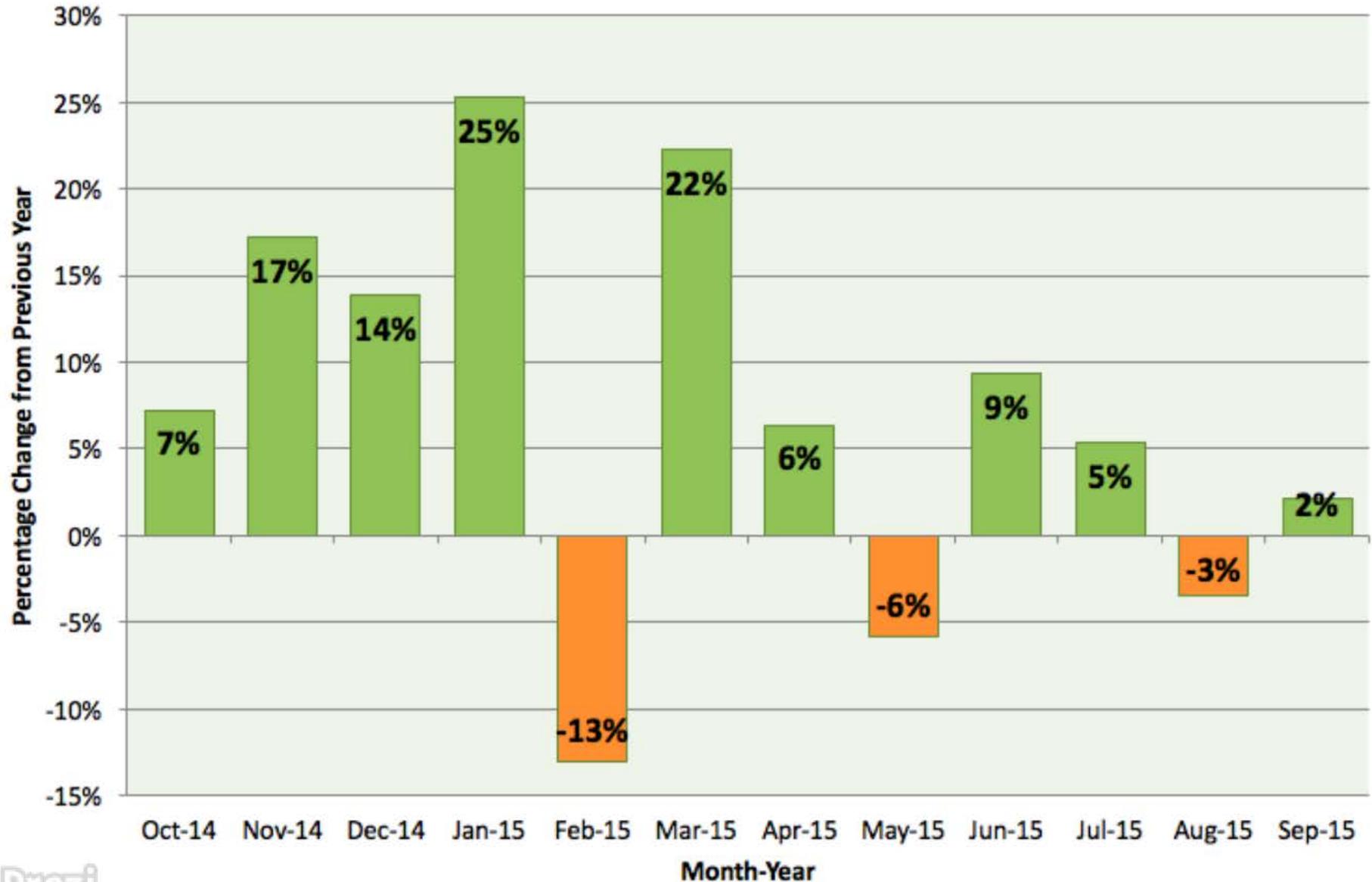
CVS/pharmacy



Aloft
RALEIGH

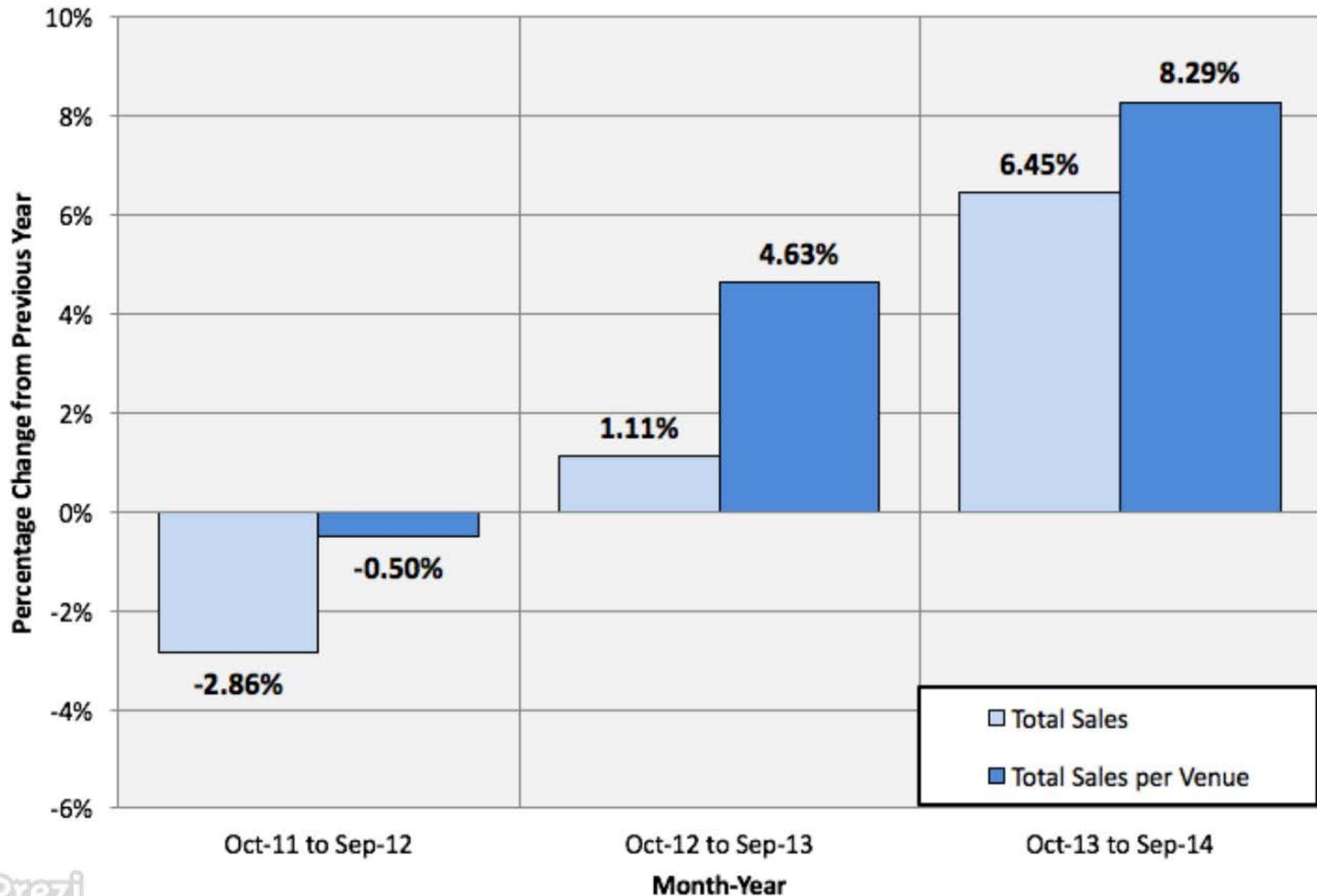
Food and Beverage Sales

Percentage Change in Food & Beverage Sales from the Previous Year for the Last 12 Months



Food and Beverage Sales

Percentage Change (Year over Year) in Food & Beverage Sales from the Previous Year



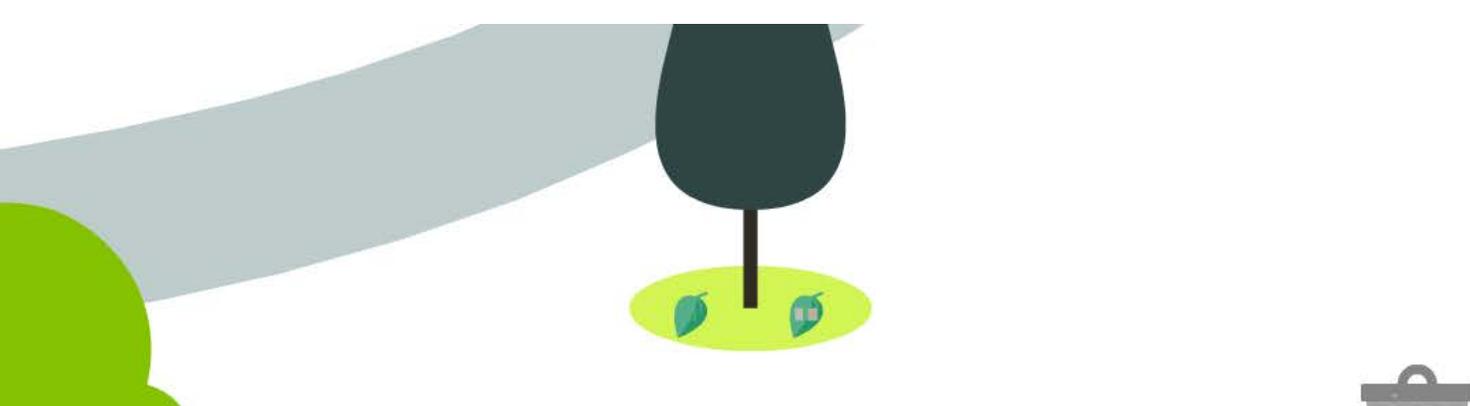
Food and Beverage Sales

Total Increase
from Jan-11 to
Jan-15 (5 yrs.)



Total F&B Sales
in '14-'15

Total F&B Sales
in '11-'12



Clean and Safe Program

- 7 Days a week
- Clean sidewalks, curbs and public spaces
- Ambassador and hospitality program
- Maintenance, reporting and fixing issues on the street
- Security presence and a connection with Raleigh and N.C. State University Police
- Maintain the new LED street lights
- Maintain banners and decorations



Before



After



Before



After



Before



After





Clean and Safe Program

- 7 Days a week
- Clean sidewalks, curbs and public spaces
- Ambassador and hospitality program
- Maintenance, reporting and fixing issues on the street
- Security presence and a connection with Raleigh and N.C. State University Police
- Maintain the new LED street lights
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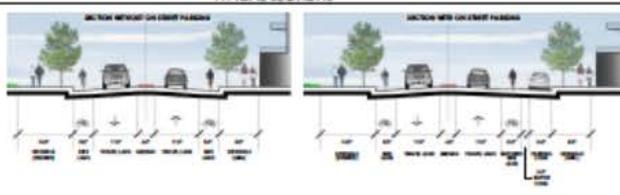


Looking Forward: 2016

Phase II of the Hillsborough Street Streetscape



ROAD
LANDSCAPING
CONCRETE SIDEWALK
BRICK PAVERS
EXISTING BUS STOP
PRIORITY LINES
EDGE OF PAVEMENT/CURB
TRAFFIC SIGNAL TO REMAIN

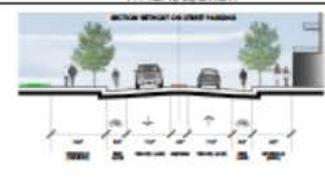


HILLSBOROUGH STREET REVITALIZATION, PHASE 2

ROSEMARY STREET/SHEPHERD STREET TO GARDNER STREET
MARCH 17, 2015



PRELIMINARY PLANS
SCALE: 1/8" = 1'-0"



- LEGEND**
- PROPOSED ROAD
 - PROPOSED LANDSCAPING
 - PROPOSED CONCRETE SIDEWALK
 - PROPOSED BRICK PAVERS
 - PROPOSED/EXISTING BUS STOP
 - EXISTING PROPERTY LINES
 - EXISTING EDGE OF PAVEMENT/CURB
 - EXISTING TRAFFIC SIGNAL TO REMAIN



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Bill

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

AST-144 [v.6]

Page 1 of 3

Amends Title [NO]

Date _____, 2015

Senator _____

1 moves to amend the bill on page , lines, by inserting the following between those lines:
2

3 "SECTION XX.(a) G.S. 160A-536 reads as rewritten:
4 "§ 160A-536. Purposes for which districts may be established.

5 ...
6 (d) Contracts. – A city may provide services, facilities, functions, or promotional and
7 developmental activities in a service district with its own forces, through a contract with
8 another governmental agency, through a contract with a private agency, or by any combination
9 thereof. Any contracts entered into pursuant to this paragraph-subsection shall comply with all
10 of the following criteria:

11 (1) ~~specify~~The contract shall specify the purposes for which city moneys are to
12 be used for that service district.

13 (2) ~~and~~The contract shall require an appropriate accounting for those moneys
14 at the end of each fiscal year or other appropriate period.

15 (d1) In addition to the requirements of subsection (d) of this section, if the city enters
16 into a contract with a private agency for a service district under subdivision (a)(1a), (2), or (2a)
17 of this section, the city shall comply with all of the following:

18 (1) The city shall solicit input from the residents and property owners as to the
19 needs of the service district prior to entering into the contract.

20 (2) Prior to entering into, or the renewal of, any contract under this section, the
21 city shall use a bid process to determine which private agency is best suited
22 to achieving the needs of the service district. The city shall determine criteria
23 for selection of the private agency, and shall select a private agency in
24 accordance with those criteria. If the city determines that a multi-year
25 contract with a private agency is in the best interest of the city and the
26 service district, the city may enter into a multi-year contract not to exceed
27 five (5) years in length.

28 (3) The city shall hold a public hearing prior to entering into the contract, which
29 shall be noticed by publication in a newspaper of general circulation, for at
30 least two successive weeks prior to the public hearing, in the service district.

31 (4) The city shall require the private agency report annually to the city, by
32 presentation in a city council meeting and in written report, regarding the



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Bill _____

AMENDMENT NO. _____
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_____AST-144 [v.6]

Page 2 of 3

1 needs of the service district, completed projects, and pending projects. Prior
2 to the annual report, the private agency shall seek input of the property
3 owners and residents of the service district regarding needs for the upcoming
4 year.

5 (5) The contract shall specify the projects, and the moneys to be allocated to
6 those projects, for the contract period. After entering into the contract, no
7 changes to the projects or the moneys allocated to each project may be
8 changed without approval of the city council.

9 ..."

10 SECTION XX.(b) G.S. 160A-542 reads as rewritten:

11 "§ 160A-542. Taxes authorized; rate limitation.

12 (a) A city may levy property taxes within defined service districts in addition to those
13 levied throughout the city, in order to finance, provide or maintain for the district services
14 provided therein in addition to or to a greater extent than those financed, provided or
15 maintained for the entire city. In addition, a city may allocate to a service district any other
16 revenues whose use is not otherwise restricted by law.

17 (b) Property subject to taxation in a newly established district or in an area annexed to
18 an existing district is that subject to taxation by the city as of the preceding January 1.

19 (c) Property taxes may not be levied within any district established pursuant to this
20 Article in excess of a rate on each one hundred dollar (\$100.00) value of property subject to
21 taxation which, when added to the rate levied city wide for purposes subject to the rate
22 limitation, would exceed the rate limitation established in G.S. 160A-209(d), unless that portion
23 of the rate in excess of this limitation is submitted to and approved by a majority of the
24 qualified voters residing within the district. Any referendum held pursuant to this paragraph
25 subsection shall be held and conducted as provided in G.S. 160A-209.

26 (d) Prior to setting the tax rate, the city council shall determine the long range plans and
27 goals for the service district, and shall set the tax rate so that moneys collected are sufficient to
28 meet the needs of the long range plans and goals without accruing excess moneys. The moneys
29 collected shall be used for meeting the needs of that service district as determined by the city
30 council.

31 (e) This Article does not impair the authority of a city to levy special assessments
32 pursuant to Article 10 of this Chapter for works authorized by G.S. 160A-491, and may be used
33 in addition to that authority."

34 SECTION XX.(c) The Legislative Research Commission may study the feasibility
35 of authorizing property owners within a municipal service district to petition for removal from
36 that municipal service district. The Legislative Research Commission may consider any issues
37 relevant to this study.

38 SECTION 2. The Legislative Research Commission shall report its findings and
39 recommendations, including any proposed legislation, to the 2015 General Assembly when it
40 reconvenes in 2016.

41 SECTION XX.(d) Section XX(a) of this section becomes effective October 1,
42 2015, and applies to contracts entered into on or after that date. Section XX(b) of this section



Municipal Service Districts

Overview and FY17 Process

Agenda

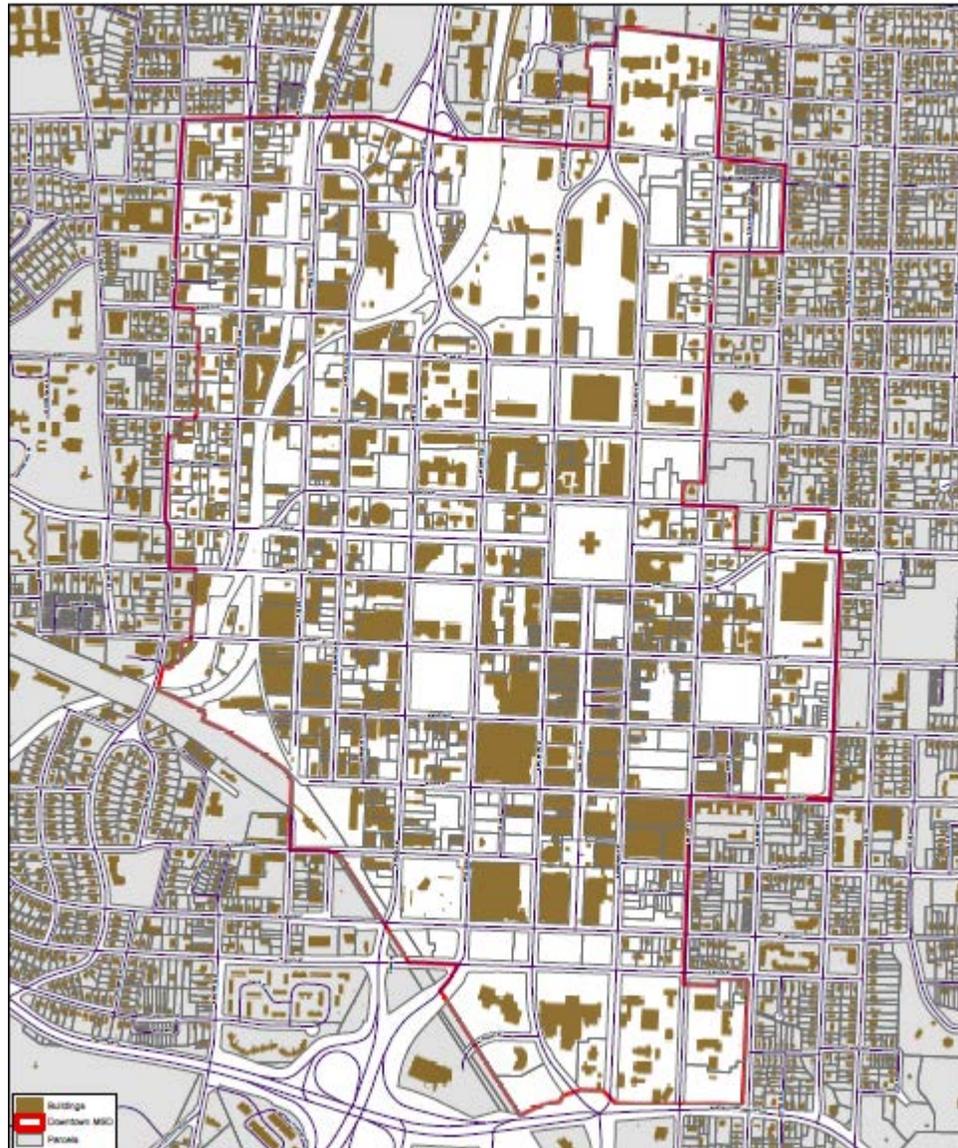


- Overview of Municipal Service Districts (MSD)
- Downtown MSD
- Hillsborough Street MSD
- Changes in MSD Legislation
- Next Steps
 - Process Timeline
 - Council Feedback

Overview

- What is a Municipal Service District (MSD)?
 - Defined area with additional property tax
 - Funding used for statute-defined functions
 - Downtown revitalization
 - Urban revitalization
- Raleigh has two MSDs
 - Downtown
 - Hillsborough Street

Downtown MSD Boundaries

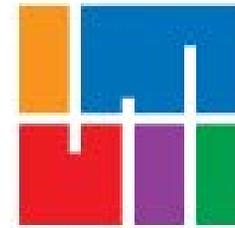


Downtown MSD



- Established in FY01
- Current Tax Rate: \$.0786 per \$100 of assessed property value
- Total FY16 estimated revenue: \$1,282,250
- Current Service Provider: Downtown Raleigh Alliance (DRA)

Downtown Raleigh Alliance



- Non-Profit 501(c)(6); 8 FTEs
- Total FY16 Budget: \$2.26M
- Revenue Sources:
 - Downtown MSD funding: \$1.27M
 - Safety Ambassador Contract with City: \$470K
 - Corporate Sponsorships & Memberships: \$362K
 - COR Other Outside Agency Grant for retail recruitment: \$108,450
 - Other Grants/Contracts: \$50K

DowntownRaleigh
Alliance

DRA – Current Expense Budget



- Security & Clean Team Ambassador Program: \$961K
- Management, Office & Operations: \$644K
- Economic Development, Downtown Planning: \$249K
- Branding, Marketing & Communications: \$210K
- Events & Community Engagement: \$197K

Hillsborough MSD Boundaries



Hillsborough MSD

- Established in FY09
- Tax Rate: \$.15 per \$100 of assessed property value
- Total FY16 estimated revenue: \$326,510
- Current Service Provider: Hillsborough Street Community Services Corporation (HSCSC)



Hillsborough Street CSC



- Non-Profit 501(c)(6); 3 FTEs, 1 Part-Time
- Total FY16 Budget: \$620K
- Revenue sources
 - Hillsborough St. MSD funding: \$296K
 - COR Other Outside Agency Grant: \$125,513
 - NCSU: \$100K
 - Donor Contributions/Other Revenue: \$52K
 - Stanhope Property: \$47K

HSCSC – Current Expense Budget

- Personnel & Operations \$296K
- Special Events \$123K
- Clean & Safe Initiative \$115K
- Marketing \$ 54K
- Contingency/Miscellaneous \$ 24K
- Business & Economic Development \$ 8K



MSD Legislation: New Contracting Requirements (S.L. 2015-241)



- City Council shall:
 - Determine current needs, long-range plans and goals for the service district
- City shall:
 - Determine RFP selection criteria
 - Solicit input from MSD residents and property owners
 - Use a bid process to select private agency best suited to meet MSD needs
 - Hold a public hearing prior to contract award
 - Require annual written and verbal report from the awarded private agency
- Contract award is time-limited (not to exceed 5 years)

FY17 MSD Service Contract Process Timeline

- January
 - Council presentation
- February
 - Public input on current needs in MSD
 - Issue RFP
- March/April
 - RFPs received and evaluated
 - Contractors selected
- May
 - General public hearing
- By July 1st 2016 – MSD contracts must be in place

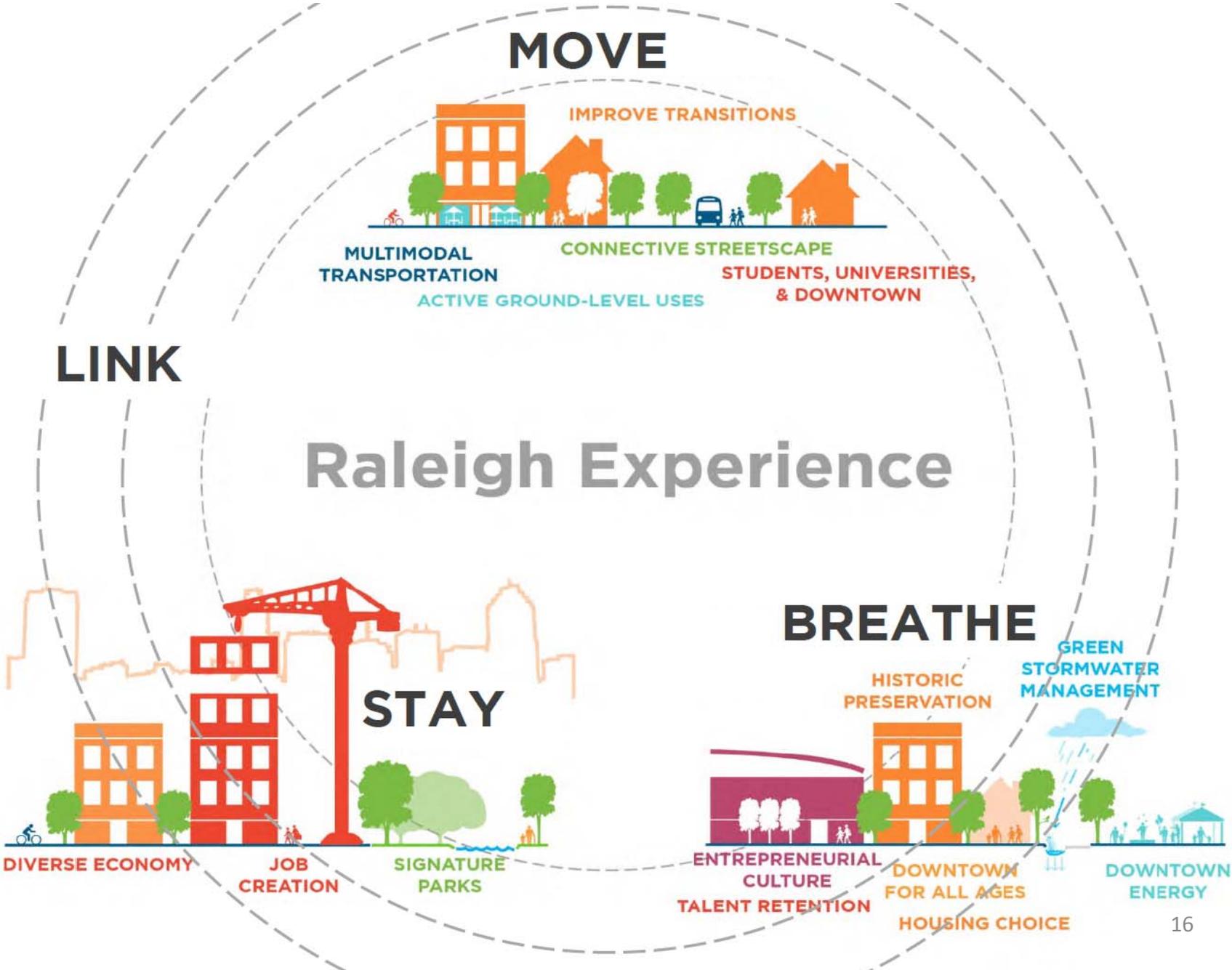
Council Feedback Requested 1/19

1. What are the current needs, long-range plans and goals for the service district?
2. How should the City solicit input from MSD residents and property owners?
3. How should the City address its representation on DRA and HSCSC boards?



1. WHAT ARE THE CURRENT NEEDS, LONG-RANGE PLANS AND GOALS FOR THE SERVICE DISTRICT?

Downtown Plan Framework Themes



Hillsborough Street Area Plan

- Joint effort with Cameron Village Small Area Plan
- Update to 1999 Vision for Hillsborough Street
- Project kick-off December 2014
- Most recent public meetings October 2015
- Draft Plan report in progress
- Council review in 2016



Hillsborough Street at Gorman Before & After View Looking East

Services Outlined in Original Resolution for Raleigh MSDs



- Advocacy
- Business development services
- Coordinated sidewalk cleaning
- Safety patrols
- Increased awareness of events

Common Services in MSDs



- Capital Improvement Projects
- Consumer Marketing
- Economic Development
- Maintenance
- Policy Advocacy
- Security
- Transportation



2. HOW SHOULD THE CITY SOLICIT INPUT FROM MSD RESIDENTS AND PROPERTY OWNERS?

Options for Public Input



- Public Input Meeting(s)
- Survey
- Public Hearing
 - Regular Council meeting or
 - Special session

Note: A general public hearing following selection of contractors is required.^{2.1}



3. HOW SHOULD THE CITY ADDRESS ITS REPRESENTATION ON DRA AND HSCSC BOARDS?

City Representation on Boards - Current Structure

- DRA and HSCSC Bylaws
 - Two City representatives (one Council member, one City staff) on board
 - DRA: Council Member Baldwin, City Manager Hall
 - Non-Voting Board Members
 - HSCSC: Mayor Pro Tem Crowder, Assistant City Manager Adams-David
 - Voting Board Members



Next Steps in FY17 MSD Process

- January 19th – Staff receives Council feedback
- Public input received
- RFP drafted, approved by Council, and advertised
- RFP proposals evaluated
- Contractors recommended for MSDs
- Public hearing
- Council approval of contracts by June 30, 2016

QUESTIONS AND COMMENTS

