

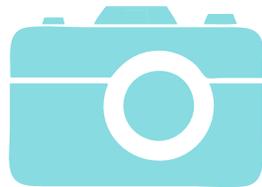
# DOWNTOWN RALEIGH EXPERIENCE

A TEN YEAR PLAN FOR  
FUTURE DEVELOPMENT

August 21, 2014



Experience It.  
DOWNTOWN RALEIGH



CHALLENGES &  
OPPORTUNITIES  
REPORT

August 2014



HR&A Advisors

Kimley-Horn

Jacobs Engineering Group

**City of Raleigh**

**Downtown Raleigh Alliance**

# Challenges & Opportunities Report

- A. Introduction
- B. Context and Engagement
- C. The Downtown Raleigh Experience
- D. Raleigh's Downtown Districts



# INTRODUCTION

Downtown Raleigh is booming.  
Let's keep the momentum going!

## **DOWNTOWN RALEIGH PLAN OVERVIEW**

Downtown Raleigh is at a pivotal moment in its growth and evolution and is growing in a variety of ways. In 2013, downtown attracted over three million visitors and added over 1,000 new employees, bringing total downtown employment up to an estimated 40,000. Today, over 5,000 residents call downtown their home, and 1,500 more apartment units are underway. By 2025, Downtown Raleigh's population is projected to more than double, increasing by about 9,000 residents to a total of nearly 16,000.

Downtown is the center of Raleigh, North Carolina's capital city and is located in the fast-growing Research Triangle region. Home to nearly 416,000 people, the City of Raleigh is expected to grow to almost 600,000 by 2025. Today, it is going through an economic transformation, shifting to an economy that is increasingly more technology-based and less reliant on government or agriculture. The region as a whole is recognized as a powerhouse for biotech innovation, medical breakthroughs, technological advancements, advanced research, and high-quality educational institutions. The health of cities is inextricably tied to the health of their urban cores. As Raleigh shifts to a "21st Century City of Innovation," the Downtown Raleigh Experience Plan will help ensure that

downtown remains – and is improved – as diverse, energized, connected, and highly livable, supporting the vitality of the city and region.

As the historic, functional, and symbolic heart of Raleigh, downtown symbolizes all of the City's aspirations and brings together the experiences of a vibrant city. The Downtown Raleigh Experience Plan is supported by a strong legacy of public/private/institutional collaboration and leadership. This plan brings together community feedback and visions to guide the continued transformation of downtown into a contemporary urban district that meets the goals of the 2030 Comprehensive Plan.

This Challenges and Opportunities Report marks the mid-point of the Downtown Plan process. It is intended to document and analyze based on the community's vision, ideas, and objectives. It captures urban form and downtown experience, transportation and future development, civic space, and streetscapes, among others. This document serves as the foundation for the development and evaluation of recommendations for Downtown Raleigh. Challenges and opportunities that are raised here will be addressed in the final plan.

## **PURPOSE & SCOPE**

The Downtown Plan will identify and analyze public-realm, infrastructure, connectivity improvements, future development and potential impacts from these improvements and developments. A top priority for the Plan is to establish clear, achievable, and community-supported action items that can catalyze the continued transformation of Raleigh’s center city. These catalytic projects will be balanced with system-wide improvements and policy recommendations.

The Downtown Plan is a 10 year vision to:

- Sustain and grow the Raleigh “experience”
- Improve the area’s strategic importance, livability, and economic vigor
- Ensure that downtown is a place for all of Raleigh’s citizens
- Engage residents, business owners and other stakeholders
- Establish a unique urban identity

The Downtown Plan’s vision will identify:

- Short, middle, and long-term actions
- Transformational development and redevelopment opportunities
- Diversity of housing for the growing population
- Public infrastructure, and connectivity improvements
- New public spaces, streetscape designs, arts, historic preservation and culture opportunities

## Connect & Unify



## Sustain & Grow





# CONTEXT & ENGAGEMENT

The Raleigh Downtown Experience Plan commenced in January 2014 and is expected to be completed in time for a city approvals process in December 2014. The project builds on past plans, seeking to incorporate ongoing projects and city-wide efforts. It also emphasized public outreach and is built on a comprehensive community visioning process, both in person and online.

## SUMMARY OF PAST PLANS

While the Downtown Raleigh Experience Plan is looking to the future, it is also building on the past: on a strong historic legacy and a series of successful recent plans.

The 2003 Downtown Master Plan, known as the Livable Streets Plan, serves as a strong foundation for the next stage of downtown improvements. The plan produced five catalytic projects, which have been implemented, and creating major changes in the downtown. These projects included:

1. Complete a Fayetteville Street Renaissance
2. A convention center & hotel
3. Improve the pedestrian environment
4. Undertake regulatory reform
5. Expand downtown management

Through successful implementation of the Livable Streets Plan, \$2.3 billion dollars in development projects have been built since 2003. Five new downtown festivals, an improved pedestrian realm with twenty new outdoor cafes, and the restoration of a symbolic parade route.

The 2030 Comprehensive Plan (completed in 2009) is also a guiding document; the Downtown Plan

is intended to be the primary tool to implement recommendations from the Comprehensive Plan. The Comprehensive Plan set forth a vision of downtown as “the historic, functional, & symbolic heart of Raleigh.” The vision is meant to ensure that downtown is a place for all of Raleigh’s citizens, to lead to a unique urban identity for the downtown, and to create transformational future development opportunities. Recommendations from the Downtown Raleigh Experience Plan will support the City in their implementation of downtown-related Comprehensive Plan action items. For instance, street improvements and typologies can help inform downtown street design standards; recommendations for growing retail can contribute to decisions about financial assistance strategies for new retailers, and an in-depth study of the R-Line can contribute to transportation-related action items by exploring how the circulator fits within the larger transportation network. The Downtown Plan also addresses the Parks, Recreation, and Cultural Resources Department’s Systems Plan including Halifax Mall.

Many other plans have been consulted and coordinated with through this process, including the:

- New Unified Development Ordinance
- The 2030 Comprehensive Plan
- Capital Boulevard Plan

- Blount / Person Corridor Plan
- New Bern Ave Corridor Study
- Southern Gateway Corridor Study
- West Street Extension
- Union Station Design
- Parks, Recreation and Cultural Resources System Plan
- Surrounding Neighborhood Plans

## PUBLIC OUTREACH

### Public Meetings and Events

The project has included nine public meetings to date:

- **Downtown Plan Kick-off Event** – A community presentation and open house was held on February 11, 2014 at the Duke Energy Center for the Performing Arts. 180 people attended the kick-off meeting where they offered feedback on why they care about downtown and their aspirations for the plan. They were able to sign up for the online tool, *Planning for Raleigh*, offer suggestions in person, or answer questions in live time during the presentation via keypads, or “clickers” that gave a quick, and often humorous, summary of the crowd’s point of view.
- **Downtown Visioning Event** – A downtown-wide visioning work session was held on April 2, 2014 at the Raleigh Convention Center. This event was attended by approximately 200 people. During the course of the evening workshop, attendees developed and voted on shared vision statements for downtown. They also recorded ideas for connectivity, open space, and major opportunity sites. At the end of the meeting, all attendees

voted on their favorite ideas.

- **Downtown Districts Visioning Events** – On May 21 and 22, 2014, six visioning sessions were held in the downtown districts: the Capital, Moore Square, Glenwood South, Fayetteville, Warehouse District, and the Seaboard/ Person Districts. Each district meeting focused on district-specific ideas generated by the community. Over 325 people attended all six events over the course of two days, and generated more than 300 ideas for consideration. Additionally, a meeting with the South Park neighborhood was held at Chavis Community Park the following week to gather input from a near downtown neighborhood.

### Planning for Raleigh Online Tool

- “Planning for Raleigh” is a website sponsored by the City to allow for an ongoing, online conversation about ideas for Raleigh’s future. It is located at [www.planningforraleigh.com](http://www.planningforraleigh.com). The interactive platform provides opportunities for government and citizens to work together by connecting civic challenges with community problem-solvers. At the time of this report, more than 400 participants had entered ideas on Planning for Raleigh, generating more than 500 ideas and comments about downtown. Those ideas are included in the overall ideas synthesis.

### Downtown Plan Advisory Committee

The Downtown Raleigh Plan is guided by an advisory committee whose membership represents a broad cross-section of downtown stakeholders. Its role is to assist the City and the Downtown Raleigh Alliance in submitting a Downtown Plan to the Raleigh City

Council which is based on community input and has broad representation from stakeholder groups. The committee is co-chaired by Scott Cutler and Anne S. Franklin, who were nominated by City Council.

Members include:

- Scott Cutler, Vice President, Clancy & Theys Construction Company
- Anne S. Franklin, Community Organizer
- Brooks Bell, CEO and Founder, Brooks Bell, Inc.
- Jim Belt, Co-founder & President, Downtown Living Advocates
- Philip Bernard, Owner, Landscape Design and Consultation, Person Street Partnership
- Pam Blondin, Owner, Deco Raleigh
- John Boylan, President, Spectrum Properties
- Ann-Cabell Baum Anderson, President and Sales Manager, Glenwood Agency Real Estate
- Melanie Chernoff, Government & Community Affairs Manager, Red Hat, Inc.
- Ashley Christensen, Chef-Owner, Ashley Christensen Restaurants
- Marty Clayton, Manager, Community Relations, Duke Energy - Northern Region
- David Diaz, President & CEO, Downtown Raleigh Alliance
- Denny Edwards, President, Greater Raleigh Visitors and Convention Bureau
- Sally Edwards, Executive Director, Marbles Kids Museum
- Ed Fritsch, President, Chief Executive Officer and Director, Highwoods Properties, Inc.
- Paula Fryland, Regional President for Eastern Carolinas, PNC Financial Services
- Greg Hatem, Founder, Empire Properties, Empire Eats
- John J. Healy Jr., Co-Founder and CEO, Hyde Street Holdings, LLC
- Aly Khalifa, Owner, Gamil Design, Designbox
- Charles Leffler, Vice Chancellor, North Carolina State University
- Dan Lovenheim, Owner, Cornerstone Tavern
- R.W. (Bill) Mullins, Member, Centennial Authority, President, DSM, Inc.
- Sarah Powers, Executive Director, Visual Art Exchange
- Jason Queen, Real Estate Developer and Founder, Raleigh Restoration Group, LLC
- Karla Salgado, Student, Broughton High School
- Harvey Schmitt, President, Raleigh Chamber of Commerce
- Nate Spilker, Sr., Director, Customer Care, Citrix Systems, Inc.
- Bill Spruill, Founder, Global Data Consortium
- Sumit Vohra, Owner, Lonerider Brewery
- Gregg Warren, President & CEO, DHIC, Inc.
- Lloyd Williams Ph.D., Chair, Department of

Computer and Information Sciences, Shaw University

- Lonnelle Williams, Chair, Central CAC
- Ed Wills, Owner/Operator, McDonald's (Peace and South Streets)

- Walkability and ground-level activity
- Housing and neighborhood services
- Transit and bicycling
- Cars and parking
- Heritage
- Image of the city
- Healthy economy and growth
- Events, attractions, and the arts

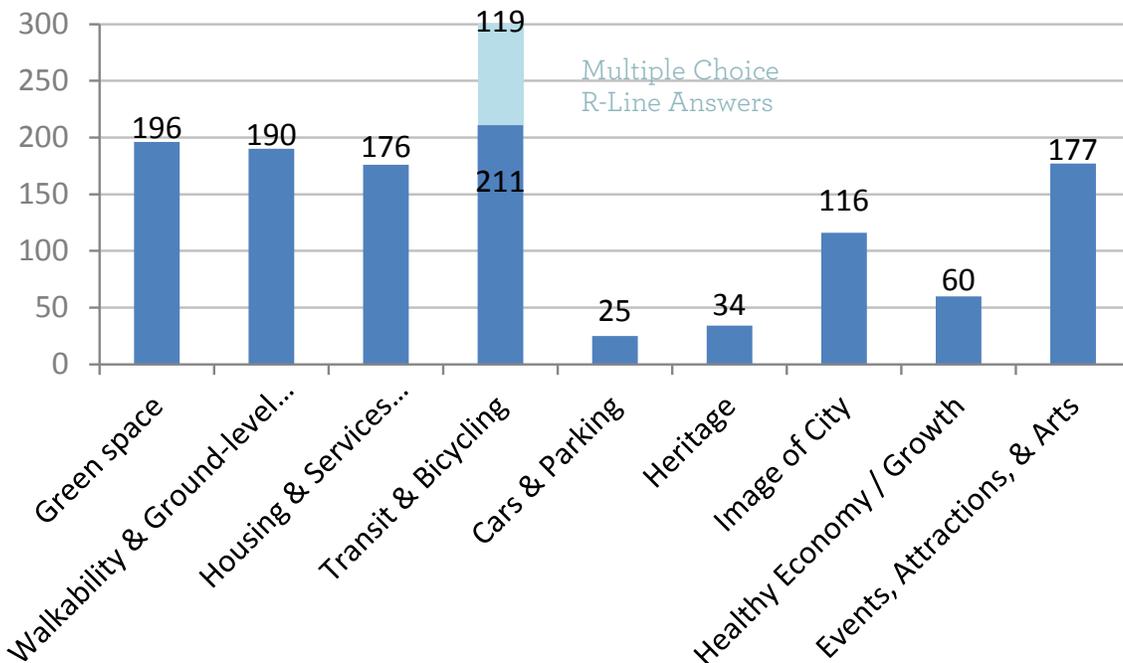
### SUMMARY OF COMMUNITY IDEAS

Detailed ideas from all interviews, meetings, and online tools have been compiled into an Excel file, which is included as a companion document to this report. The feedback and ideas covered a broad range of issues for Downtown Raleigh, and can be categorized as:

- Green space

Green space consistently ranked as one of the most discussed ideas for downtown, with ideas ranging from improvement of existing open spaces, to the need for more downtown parks, to better trails or ecological connections. Similarly, enhancements to transit and bicycling ranked the highest, supporting

### FEEDBACK THEMES



the plan's close look at the R-Line service. Improving walkability and increasing ground-level activity across downtown was equally popular and important to all districts. The community also expressed the need to balance downtown's growth and successes with strategies to maintain Raleigh's character and authenticity, as well as to manage events.



**PEOPLE'S CHOICE\***

**Top 10 Ideas**

**Tally**

1. More green/public space	86
2. Downtown Grocery Store	62
3. Affordable housing	59
4. More retail and improved hours	51
5. Improve walkability	47
6. Water feature	44
7. Sports arena / Professional sports team	38
7. User-friendly & efficient public transit	38
9. Improve existing green spaces	28
10. Bike safety / friendliness	27

\* Most frequently suggested and discussed ideas

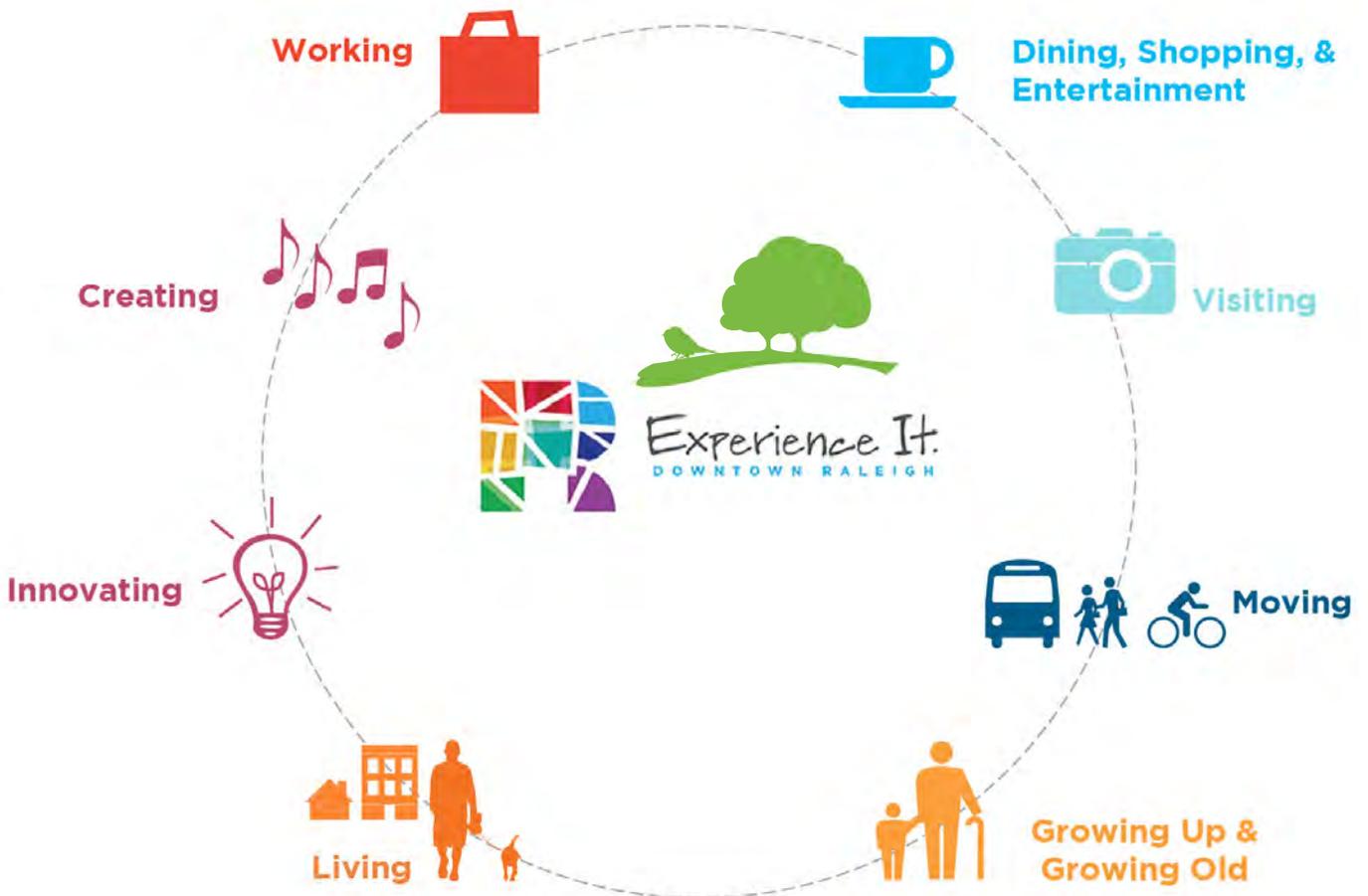


### Unique District Identities

Downtown's identity is shaped by the individual character of its six districts, as well as the overall systems that tie them together.

# THE DOWNTOWN RALEIGH EXPERIENCE

At the heart of this plan is the conviction that, today, successful downtowns are mixed-use, dynamic, multi-functional places. To that end, planning for the future has been charged to go beyond consideration of land uses and functional issues, and consider how the many, unique experiences of Downtown Raleigh can be supported or created, as well as how they can reinforce downtown's identity as it grows and evolves.



## REGIONAL CONTEXT AND LOCAL CONTEXT

Downtown Raleigh is centrally located in the Triangle region, and is North Carolina's capital. Downtown is surrounded by and in close proximity to three world class educational institutions: North Carolina State University (Raleigh), University of North Carolina (Chapel Hill), and Duke University (Durham). Downtown also benefits from having three universities inside the central business district: Shaw University, William Peace University, and Campbell University Law School.

Unlike many American cities whose shape and function changed dramatically under urban renewal, Raleigh is fortunate, due to the effort of

citizen advocates, to not have a significant highway dividing it from near neighborhoods. Instead, there is a subtle gradient of density, beginning with the highest density in downtown along the ridge-line of Fayetteville Street, and tapering to lower density development in the inner ring suburbs. This leads to a high level of connectivity between Downtown Raleigh and nearby residential neighborhoods, such as Oakwood, Mordecai, South Park, and Boylan Heights.

The community's long-term goal is to develop a downtown for all ages. Indeed, downtown already provides a great experience for many age groups. Two groups in particular are growing the fastest in



Downtown plays a central role in the region.

Downtown Raleigh. For instance, the 29-38 year olds grew faster than the county’s growth in this group during the 2000-2010 period. Moreover, the 55-64 year olds doubled during that same time period. Diversity, multiculturalism, and multi-generational households are also growing throughout the country, influencing how communities and downtowns plan for new populations. To compete nationally in the future, downtown must ensure that it creates an inclusive environment that supports all members of its ever-growing community.

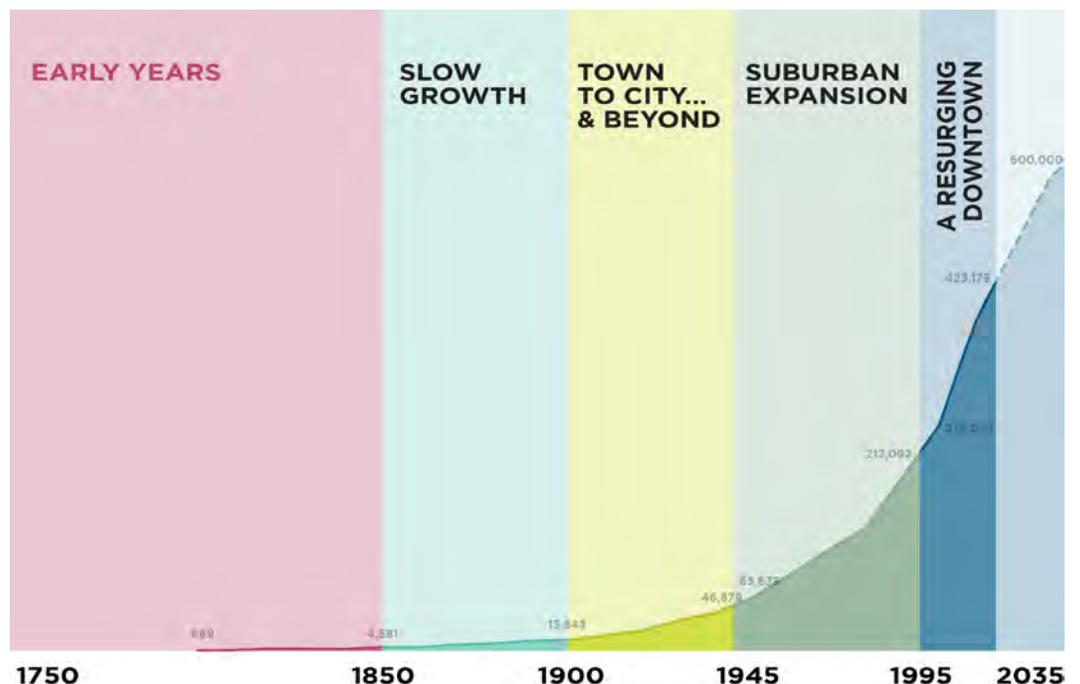
## DOWNTOWN CHARACTERISTICS

### Historic Evolution

Downtown’s urban form and present-day characteristics emerged early in its history, due to early master plans as well as industrial shifts. The city’s street grid and green space framework were set in place by the first master plan and its focus as a government and educational center have long informed the identity. Even the significance of Fayetteville Street as downtown’s main street was established early on. Planning has shaped the city since the beginning and has demonstrated that early economic development planning can lead to long-term successes (such as the restoration of views between the State Capitol Building and the Duke Energy Performing Arts Center).

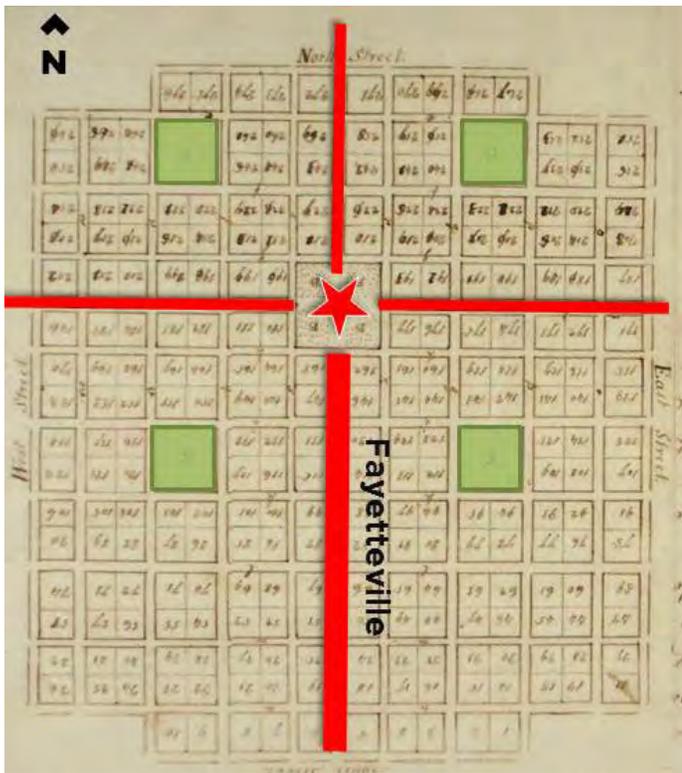
### A Growing City

After a slow, steady historic growth trend, growth has accelerated in recent years. Raleigh is projected to grow to 600,000 by 2035.



Historically, the area of present-day Raleigh had a handful of colonial settlements as early as the 1760s. In 1792 The State of North Carolina established Raleigh as its capital. Its gridded William Christmas plan for one square mile and included the central Union Square for the Capitol and four park squares: Caswell, Nash, Burke, and Moore. Main streets extended along the compass points from Union Square. They were Halifax, New Bern, Fayetteville, and Hillsborough Streets. In 1794 the first State House was opened, anchoring the Capital District, and over time, attracting the numerous State offices and institutions we see today.

Fayetteville Street, to the south, was dedicated as the “high street,” and quickly became Raleigh’s commercial core as storefronts replaced residences. Retail flourished and a profusion of family-owned businesses dominated the downtown district. Commercial development spread both east and west. By the early 20th century, Raleigh had evolved into the retail center for eastern North Carolina. However, during the 1950s and 1960s Downtown ceased to be the center of retail trade as Cameron Village and other suburban shopping centers opened. In an effort to draw in shoppers, Fayetteville Street was converted to a pedestrian mall in 1977.



The Christmas Plan of 1792 has had a lasting influence on Downtown Raleigh’s urban pattern

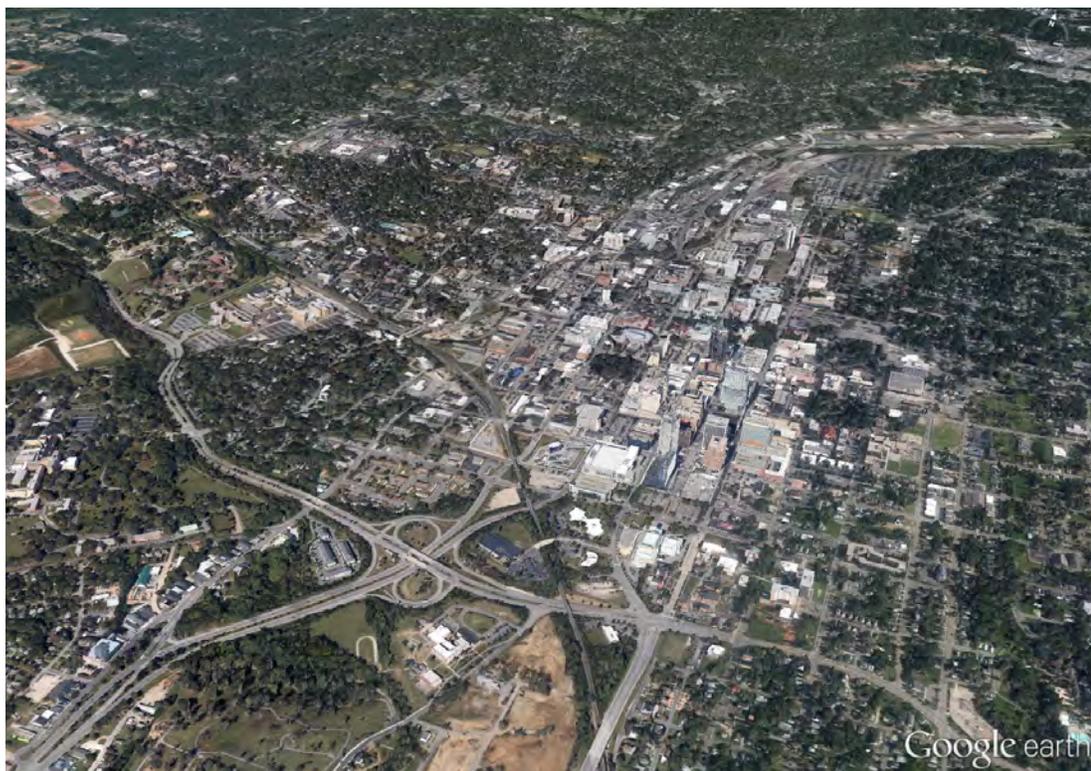
Urban Structure Today

In 2006 major public investments were made to restore Fayetteville Street to its previous main street form, add significant convention and visitor facilities, and encourage private investment in offices and housing. With much success, today's Downtown Raleigh has emerged as the region's urban core. It is attracting young talent, a wide mix of entertainment and art options, plus scores of new residents.

In addition to downtown commerce, to the west, mills, industrial enterprises and packing houses made up antebellum Raleigh, mostly in the vicinity of what continues today as the Warehouse District. Publishing enterprises such as newspapers, printers and bookbinders sprang up. By 1840 the city was

served by the Wilmington & Raleigh railroad and the Raleigh & Gaston railroad, which eventually merged to become part of CSX Transportation. Transit arrived via streetcar lines (horse pulled then electric powered). Cars arrived in Raleigh, changing the way people moved around, and buses replaced streetcars in 1933. In the past two decades this District has increasingly attracted start-up technology groups, residents, and entertainment venues.

Formally surrendering in 1865, Raleigh was spared the devastation many southern cities experienced at the end of the Civil War. In the 1870s, Raleigh experienced slow yet steady economic growth. Between 1860 and 1870, its population grew by sixty-



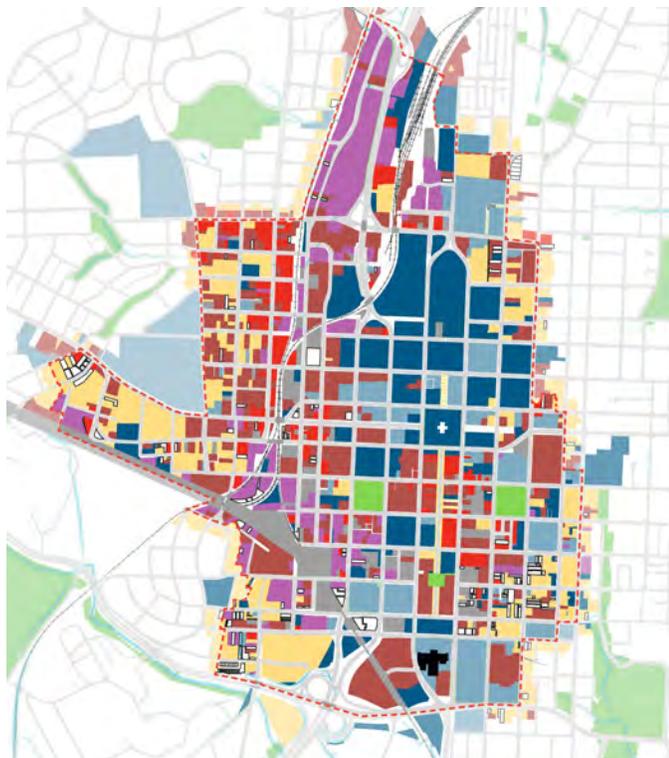
Downtown Raleigh

three percent, pushing residential growth north of the core downtown. One such area, Person / Seaboard, in the vicinity of the railroad, Devereux Meadows, Peace Street, Blount Street, William Peace University and Oakwood continues to thrive as a residential, commercial, and retail center.

Raleigh became a mecca for higher education. St. Mary’s College was established in 1842, Shaw University in 1865, Peace Institute (now William Peace University) in 1857, St. Augustine’s College in 1867, and Meredith College in 1891. North Carolina College of Agriculture and Mechanic Arts (later renamed North Carolina State) was launched as a land-grant institution in 1889.

The city tripled in size between 1900 and 1945. Construction boomed and the first City Plan since the Christmas plan was created in 1913. While the Great Depression dampened development, World War II rejuvenated the economy. The 1914 construction of the City Market in Moore Square had a profound impact on its surrounding streets. A growing trucking industry fueled its success, which in turn generated a surge in grocery stores and service retail. In recent decades, entertainment venues and schools have anchored the Moore Square District. New high-rise and mid-rise housing promises to invigorate the District.

East Hargett Street thrived as the city’s African American retail and social hub. In nearby South Park and East Raleigh neighborhoods, since



Current Land Uses (left)

- Green Space
- Retail, restaurants, & mixed use
- Commercial
- Government or state-assessed
- Institutional, religious, or civic
- Residential
- Vacant
- Transportation or utilities

Historic Resources (far right)

- Local Historic District
- National Historic District
- Raleigh Historic Landmarks

Reconstruction, the African American community lived, worked, socialized, and worshiped. Nearby John Chavis Park's carousel and athletic facilities attracted people from up and down the Eastern Seaboard. Jim Crow practices kept the community contained. In the 1950s and 1960s the Civil Rights Movement transformed Southern culture, establishing that national, state, and local laws should protect all citizens. With housing restrictions diminished, African Americans began to live in other residential areas, making room for newer residents.

To the north and west, the low-lying area between the Norfolk Southern train trestle and the Seaboard tracks was mill-worker housing called "Smokey Hollow" until the 1960s when it was replaced with one-story office buildings. Adjacent today is Glenwood South, which

was, for a time, home to auto garages, tire shops, upholsterers, plumbers, typewriter and TV repair shops. With the substantial addition of new mid-rise housing and reuse of older buildings in the past decade, this district has become a center of night life, attracting a regional audience.<sup>1</sup>

### Urban Form and Function

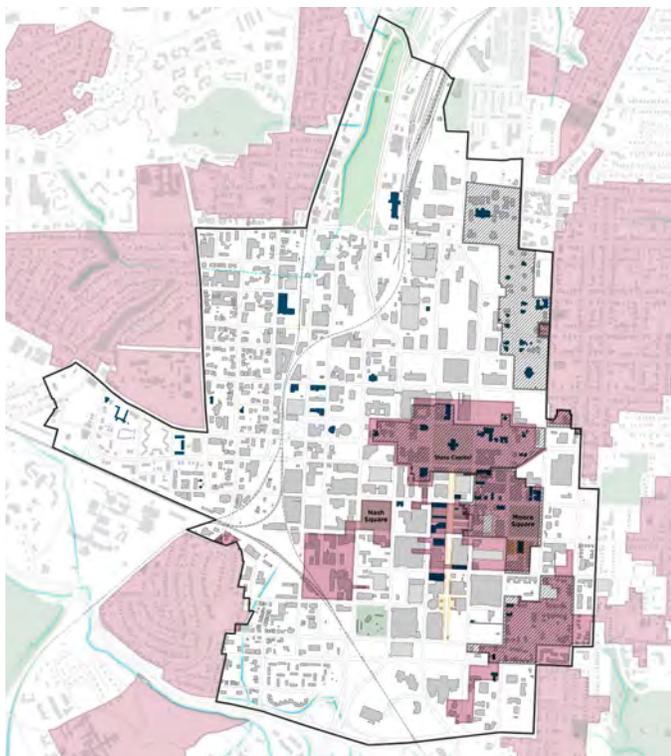
Downtown Raleigh has an orthogonal street grid organized around the cardinal directions and aligned with east to west ridgelines. The regular pattern of blocks shows the lasting influence of the 1792 Christmas Plan. Different areas of downtown have grown to have distinct character, south from the State Capitol building, Fayetteville Street is still downtown's most densely developed street, with a mix of high-rise housing, offices, hotels, and ground-level retail. This downtown corridor is terminated on the south by the Duke Energy Center for Performing Arts and on the north by the State Capitol. Buildings in this area are built predominately to the street edge, reinforcing the strong grid. Density goes down quickly in all directions away from Fayetteville Street District.

To the east, the Moore Square District contains primarily smaller-scale buildings, also built to the historic grid. Through-block connections are another feature of this area, including the cobblestone paths

<sup>1</sup> North Carolina History Project, [Northcarolinahistory.org](http://Northcarolinahistory.org)" [Northcarolinahistory.org](http://Northcarolinahistory.org)

Raleigh Historic Development Commission, [rhdc.org/Raleigh-historic-resources](http://rhdc.org/Raleigh-historic-resources)" [rhdc.org/Raleigh-historic-resources](http://rhdc.org/Raleigh-historic-resources)

GoodnightRaleigh.org" [GoodnightRaleigh.org](http://GoodnightRaleigh.org)



of City Market and the interior courtyard spine of Marbles Kids Museum.

To the west of Nash Square, the Warehouse District retains its eclectic, industrial roots. Large-format, low-scale buildings today contain a diverse mix of tech start-ups, local restaurants, artists' studios and retail, and remaining light industrial uses. The influence of the rail lines that bisect downtown is very apparent in this area. Several streets in the district terminate as they approach the rail tracks, reducing connectivity. Moving further west and north, across the rail tracks, Glenwood South is a quickly growing residential neighborhood. Glenwood Avenue is the district's main street. It is anchored by bars, clubs, and eclectic, locally owned shops and restaurants. New residential growth has been particularly strong in this area. New developments have primarily been larger, creating denser footprints than that of the existing detached, low-rise neighborhood.

To the northeast, in the Capital District, the urban pattern changes significantly. Government uses, especially State functions, predominate. Parking is a more dominant feature, including both large surface lots and significant parking structures.

Further north, Seaboard/Person is comprised of three distinct sections – Seaboard Station shopping center, William Peace University, and the Person Street businesses which have a neighborhood “main street” character.

These diverse districts of downtown have different pockets of activity that lend interest to each, but the connections between them are frequently weak, especially after dark. Fayetteville Street, Glenwood Ave, and parts of the Warehouse District and Moore Square are well-lit with many active ground-floor uses. Yet, many other parts of downtown, especially between districts, are “dark zones” with limited active uses and/or poor street lighting. Parking lots, vacant



Old and New Landmarks: Churches continue to be important visual, cultural, and social landmarks in Raleigh, while new skyscrapers are redefining the Downtown Raleigh skyline.



Downtown Raleigh is known for its diverse and growing range of restaurants and shops.



How can new construction enhance downtown and bring new value to historic landmarks?

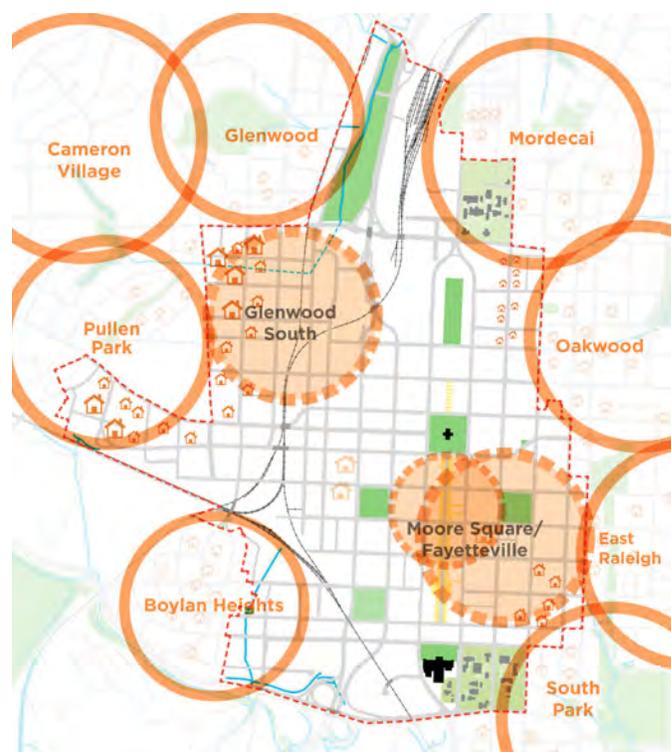
land, city-owned property, and buildings where the land value exceeds the building value offer significant opportunities for economic development and public realm improvements.

### Market and Land Use Trends

Downtown Raleigh is poised for significant amounts of new development across multiple asset classes. The region's strong economic fundamentals and nascent trends towards urban living and working bode well for downtown's future success, particularly as a residential location. In a largely suburban region, Downtown Raleigh's success as an urban center is foundational to the entire Triangle's economic competitiveness. The key question is how this strong market demand can be best leveraged through strategic public interventions to shape the future downtown the community desires. In downtown, residential remains a strong market in the future; in fact, downtown's population is projected to grow much faster than it has previously. While short-term saturation is possible, a longer term strategy can focus on strategic interventions that will activate development in less ripe areas of downtown, such as the Capital or Warehouse Districts. While residential growth is strong, the small size of the regional office market constrains significant new development. Workers and companies increasingly look for community amenities when selecting where to locate. Downtown's office market saw an uptick in absorption and rents in 2013. The downtown to continue to compete for office tenants must be a priority in order to see continued growth in this area. Downtown is known as

a restaurant and bar destination, but its retail scene is much less developed. Still, there is budding retail that has pushed ground-level vacancies down significantly. Interventions and tools can help limit leakage to surrounding competitive retail and support the creation of neighborhood service retail and unique, local destination retail options. Finally, continued success of downtown as a business and tourism center will likely require new hotel rooms, with an opportunity to diversify across neighborhoods, such as a possible boutique hotel in the Warehouse District, near Shaw University, or in lower Person Street. For More information reference Appendix A, HR&A Market Analysis.

### Neighborhoods and Housing



Established and Emerging Neighborhoods



Green & Civic Space Network



A vibrant downtown that truly is “a place for all Raleigh’s citizens” has a healthy mix of people living and working downtown. Historically, Raleigh’s neighborhoods seamlessly transitioned into downtown’s denser fabric which was predominately commercial, industrial, or institutional in nature. Today, Downtown Raleigh is home to growing residential neighborhoods of its own with many new faces. In fact, thirty-three percent of downtown residents have moved in since 2010. One in four moved from a different state or country.<sup>2</sup> High concentrations of residents live in Moore Square/ Fayetteville as well as in Glenwood South. In order to sustain liveability and attract people to downtown living, a diversity of housing opportunities for both renters and homeowners, at different rent and price points, will need to be available. The city has a gap between what the market is delivering and in what can be provided under traditional subsidy

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<sup>2</sup> Downtown Raleigh Alliance. State of Downtown Raleigh 2013: The Urban Campus for the Young + Innovative

programs. The City needs to find ways to bridge this gap and implement new and creative programs and incentives to deliver a wider range of price points for housing. This is particularly important for lower wage workers that are employed in downtown businesses. As population has increased, so has demand for convenient residential services, especially a full service grocery store or a smaller format market. The co-existence of downtown residential with entertainment uses has produced its own challenges. Discussions of the tensions between bars and housing, such as late-night noise or street appearance, have been central to public conversations.

New construction has included luxury apartments. As a result, there is a growing concern that downtown living is, or will be, out of reach for many singles, students, and young families. Housing affordability is an important consideration for downtown. The Community Development Department has a mission



Pigeon House Branch



Moore Square



Halifax Mall

to improve “the quality of life for Raleigh’s residents by adding to the amount of affordable housing, improving existing affordable housing, revitalizing older neighborhoods, and supporting related human services.” Housing is affordable if the total cost of occupancy does not consume more than 30 percent of household income. In Raleigh, nearly 50,000 households with incomes under \$50,000 are cost burdened with the City of Raleigh.<sup>3</sup> However, there is an inherent challenge to realizing this mission in downtown because land costs are very high. Current laws limit the City’s ability to land bank.

Homelessness continues to be an issue in Downtown Raleigh, but progress has been positive over the

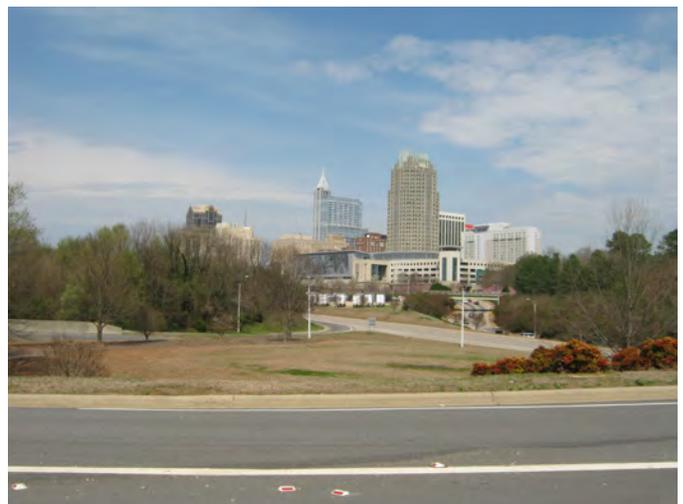
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3 American Community Survey, City of Raleigh

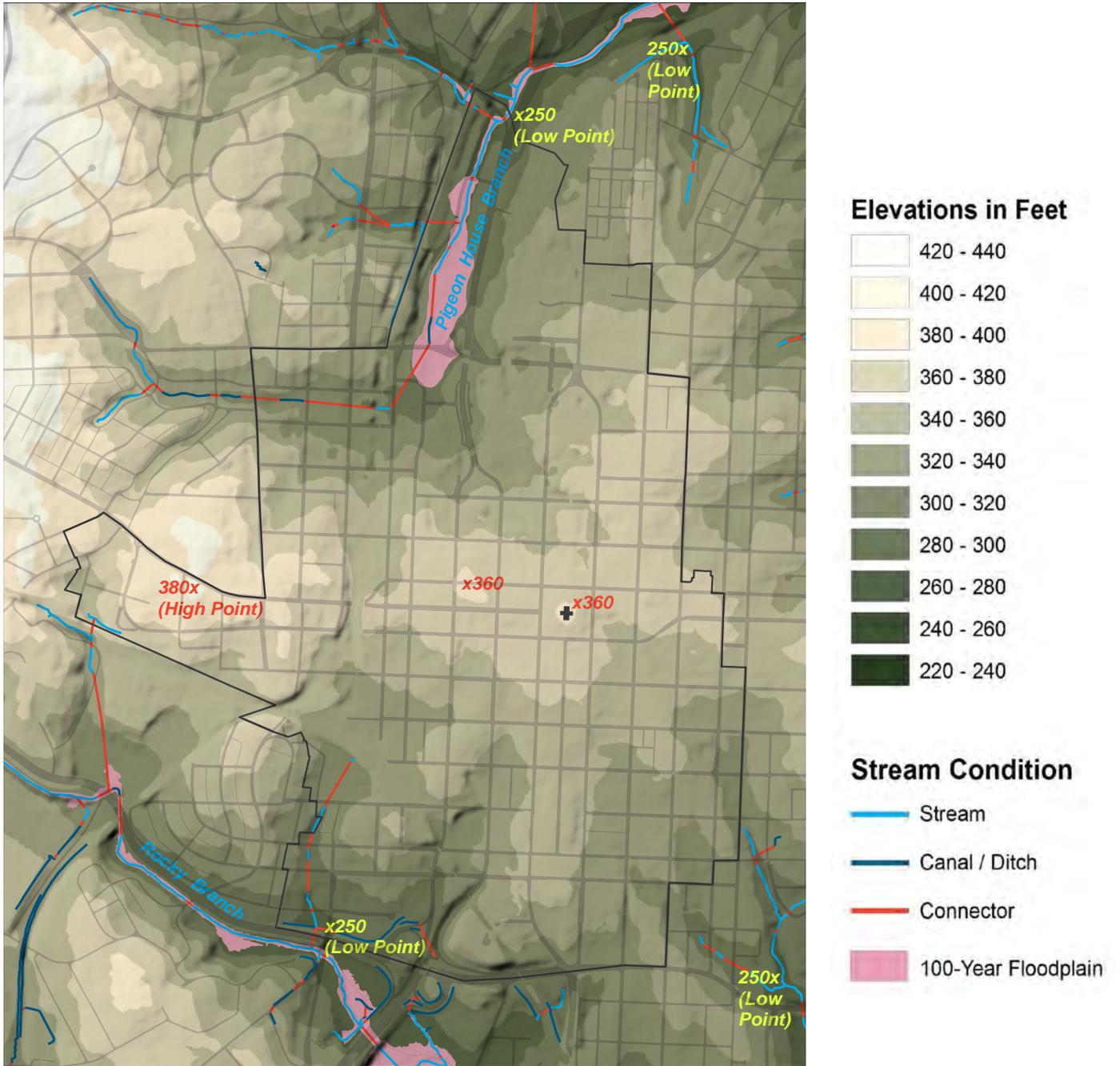
past decade. With the help of programs like Healing Place, Raleigh Rescue Mission, and Salvation Army, unsheltered homelessness has dropped 24% since 2001 (amid a 44% increase in population overall).<sup>4</sup> Continuing this positive trend will require a continued commitment to eliminating homelessness. The Healing Place, for instance, is currently at capacity and anticipates needing an additional 200 beds next year. Homelessness has been noted as a particular problem around Moore Square.

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4 Social Resources Stakeholder Meeting, April 1, 2014



The MLK Blvd / Saunders St. Interchange is a significant gateway into Downtown Raleigh that corresponds with a low topographic point. How can this first impression be enhanced?



Downtown Topography & Hydrology

## Green Space and the Environment

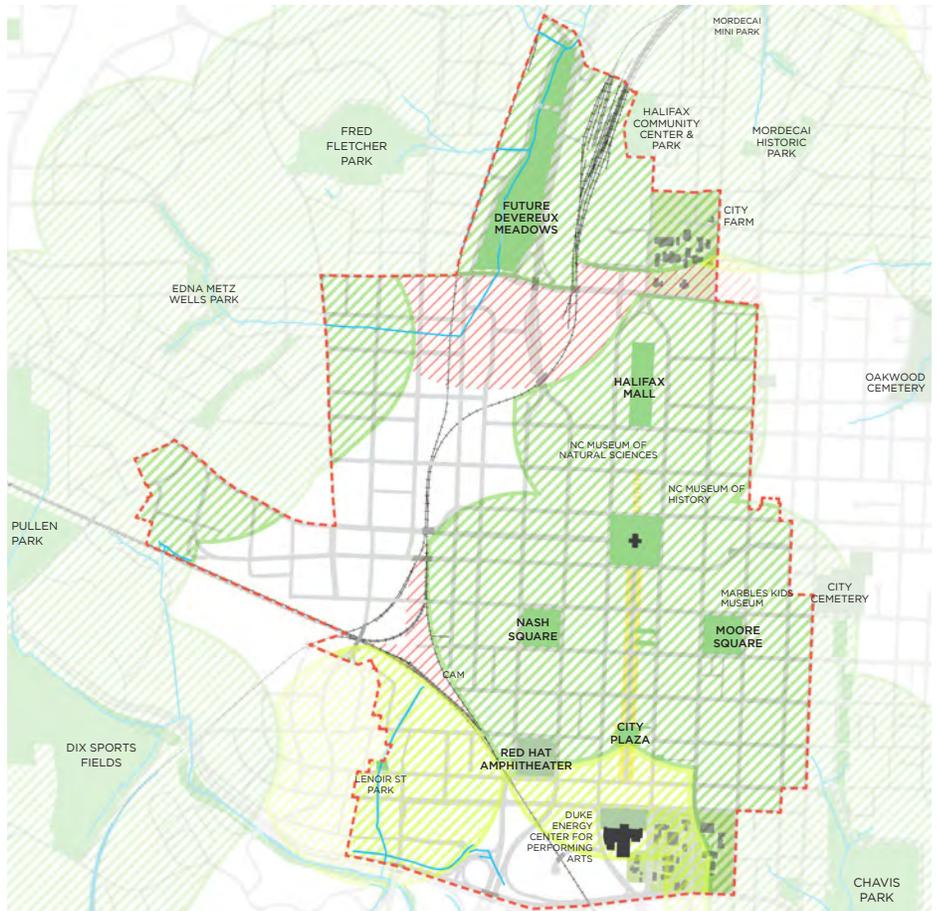
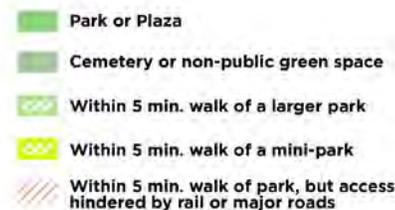
Downtown parks play unique roles in cities. They build civic identity, provide rest and relaxation, engender social space, enhance lifestyle choices, and produce environmental benefits. Studies have shown that high quality downtown parks have historically enhanced property values and attracted foot traffic to nearby retail. Increasingly they are also serving as local attractions for younger people who are making choices about where they live and work. Many have pets. For Raleigh to continue to attract residents and office workers, it will be important to invest in expanding and improving its downtown park system. Improving green space, urban hydrology, stormwater

management, energy efficiency, and resource use can also contribute to a smaller environmental footprint, supporting the City’s burgeoning goals for sustainability.

Of the five original four-acre public squares, Nash, Moore, and Union Square are the only three that remain as public green spaces. The other two, Caswell and Burke in the Capital District, have been built upon. Nash Square sits at the edge between the Fayetteville Street and Warehouse districts, framed by major through streets Dawson and McDowell. Heavily treed, the central feature of the park is a monument to firemen. The park is only lightly used during most

## Park Access

Much, but not all, of Downtown Raleigh is within proximity to parks. Still, many of the accessible parks are underutilized due to design features, perceptions of safety, access, or surrounding land uses. A significant part of Glenwood South as well as the Warehouse District lack convenient access to green space. Barriers like Peace Street and rail lines limit access to some parks for other districts.





McDowell and Dawson are important for vehicular traffic, but the one-way streets act as a barrier for pedestrians between east and west districts of Downtown Raleigh.



Driving and Parking

of the day. Moore Square provides a public green space for the southeastern quadrant of Downtown Raleigh but is perceived as unsafe and poorly maintained. The main function of these parks is to provide passive recreation opportunities. In addition, Moore Square occasionally hosts city-wide festivals like Artspllosure. Many comments have expressed that these parks are underutilized and in need of additional activation, both within the parks and in surrounding ground floor spaces. A 2009 competition, won by Christopher Counts Studio, has re-envisioned an improved Moore Square. Funding for this project has recently been secured. In addition to the original squares, plazas such as Lichten, Market, Exchange and the new Union Station Plaza add important smaller scale gathering spaces within downtown.

Although the two original squares of the Capital District have been built upon, Halifax Mall, a lawn space built atop a below-grade parking garage several decades ago, is additional park space in the district. Halifax Mall continues downtown's north/south green spine from the Duke Energy Center front lawn, up Fayetteville Street, to the Capitol Building. While occasional activities occur on the grass, it is largely underutilized. Topography restricts visibility and access into this 6-acre space, making it seem private.

A relatively new addition to downtown, the Red Hat Amphitheater hosts outdoor concerts and events, but is not free to the public at other times. Perimeter fences also delimit the edges. City Plaza, in the heart of Fayetteville Street, provides an urban setting for casual dining, events, and other activities. Group exercise

classes and an outdoor movie series both occur here. A recent ordinance has allowed for temporary installation of parklets in downtown. Parklets are small public spaces designed to offer seating and other amenities. Underused street parking spaces are a common location for parklet installation. Raleigh has planned two inaugural parklets, on E. Cabarrus Street and on Salisbury Street outside of DECO Raleigh. Opening in September, the Salisbury Street mini-park will be a collaboration among faculty and students from the NCSU College of Design, DECO Raleigh, the Raleigh Urban Design Center, and members of the business community.

Currently, green space is lacking in the western third of downtown, especially in the Glenwood South district. With a growing residential population and a desire to support families and daytime workers in the downtown, the demand for park space will increase. Underutilized spaces, such as along rail lines, have been suggested as possible park locations. Devereux Meadows, a proposed new park north of Peace Street, will provide closer access to green space. Improving pedestrian access to this area from Glenwood South, Warehouse District, Capital District, and the Seaboard/Person District will be critical in order to maximize the benefit of this investment in downtown.

Downtown lies within close proximity to three large parks - Pullen Park to the southwest (66 acres), Chavis Park to the southeast (29 acres), and Fletcher Park to the northwest (21 acres). The Halifax Community Center and recreation fields are also located just north of the Seaboard Person district. Greenways link Chavis

Park to Moore Square, and Pullen Park to downtown's southern edge. An expanded greenway network can further link Downtown Raleigh to broader recreational and ecological amenities. The future of the Dorothea Dix campus is a major opportunity for a large park on the edge of downtown that will significantly change the future of downtown and its green space.

Topographically, Downtown Raleigh is bisected by a ridge that follows Hillsborough Street. The State Capitol sits on the second highest point, only slightly lower than downtown's highest point at St. Mary's School. From this ridge, downtown slopes downward to four low points at its four corners. The western low points include north toward the Pigeon House Branch, and to the south towards Rocky Branch, and southeast to Little Rock Creek. The desire for a significant downtown water feature has been strong throughout the listening process. In many cases, these low points already have small creeks that could be reimagined as broader green corridors. This idea is already being incorporated for the northern edge of downtown. Devereux Meadows is planned to include restoration of a segment of the Pigeon House Branch.

## Moving

### Driving and Parking

Although downtown's street grid is fairly regular, the flow of traffic varies considerably from one street to another. Cutting through the geographic center of downtown, the Dawson/McDowell one-way pair carries collectively approximately 40,000 vehicles per day and serves a significant amount of through traffic due to a lack of parallel north-south bypass in the vicinity of downtown. East-west freeway facilities (I-40 and I-440) are relatively close to downtown, and thus Downtown Raleigh experiences a much lower level of through traffic east-west versus north-south. However, Wade Avenue feeds Capital Blvd. and stops there requiring east-west traffic to go north-south. The predominant east-west facility downtown is Western Blvd. / Martin Luther King Jr. Blvd. Located along the southern edge of downtown, MLK Jr. Blvd. carries about 25,000 vehicles per day and has excess vehicular capacity at this time. At the northern edge of downtown, Peace Street is the third busiest corridor

in Downtown Raleigh, with approximately 18,000 vehicles per day. It provides important connectivity to the Seaboard/Person District and to Cameron Village to the west. These streets are important to carry vehicles to and across downtown, but they function as barriers to pedestrians.

One-way streets and dead ends caused by rail lines impact vehicular circulation, navigability, and bus movement, through downtown. Despite its regular grid, few streets continue entirely across downtown to surrounding neighborhoods either north/south or east/west. Plans to reconnect West Street and South Street near the future Union Station (and ultimately extend to the north beyond Wade Avenue) will improve north/south connectivity. This change will make West Street an important through street and local connector.

Efforts are underway to convert several one-way streets to two-way traffic. Hargett and Martin streets



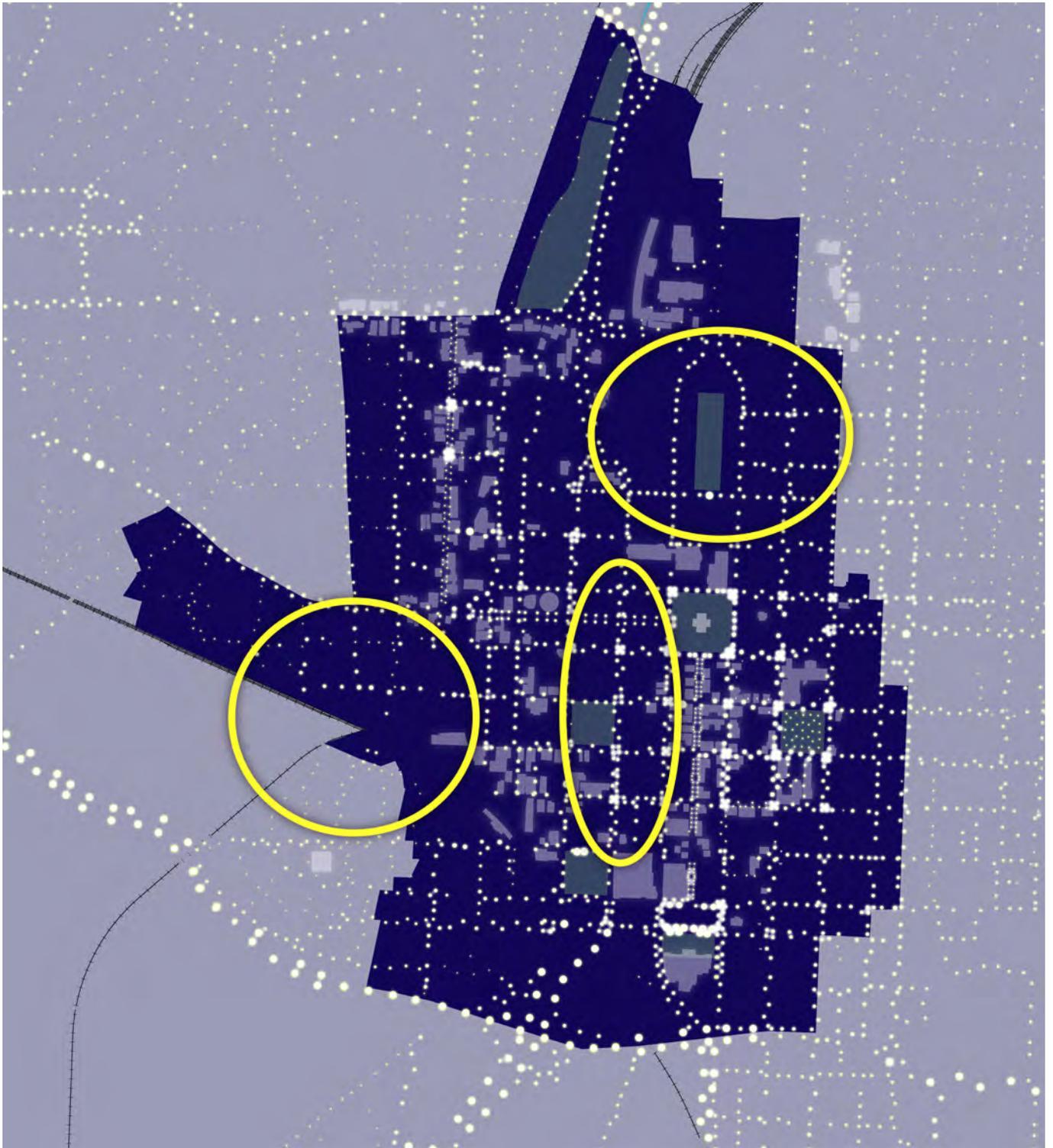
Active ground floor uses and outdoor seating create a welcoming pedestrian atmosphere.



In contrast, large-scale buildings with blank facades discourage pedestrian use, especially after dark.

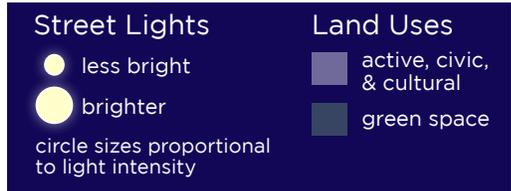


The quality of sidewalks varies widely across Downtown Raleigh.



RALEIGH AT NIGHT:

Well-lit active uses vs. “dark blocks” that lack street lighting and/or active ground floor uses



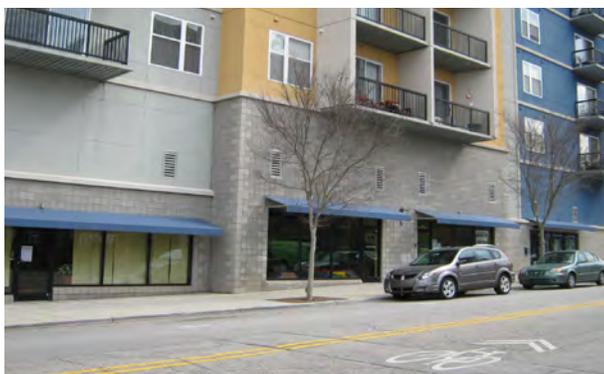
were restored as two-way streets in 2006. More recently portions of Lenoir and South streets were partially converted to two-way operation. Completion of the Lenoir and South two-way conversions is under design and should be constructed in the near future. Jones and Lane streets are also programmed to be converted to two-way traffic by 2015. Blount and Person streets could potentially be converted to two-way streets in the long-term, but first, in the short-term, they will be made more multimodal with “road diets” that narrow the roads for vehicular traffic in order to expand bicycling and walking opportunities. The Blount Street / Person Street Corridor Study adopted last year details this project.

More than 40,000 parking spaces exist in Downtown Raleigh. The City owns and manages about a quarter of these spaces, including 1,225 on-street and 8,788 off-street in decks and surface lots.<sup>5</sup> Drivers today can usually find a parking space with a reasonable amount of effort, so parking supply as a whole appears

<sup>5</sup> “The State of Parking in Downtown Raleigh.” Jennifer Suarez. June 3, 2013. Raleigh Public Record. <http://raleighpublicrecord.org/news/2013/06/03/the-state-of-parking-in-downtown-raleigh/>

to meet current demand. By the numbers, however, downtown is already in a parking deficit situation due to spaces that are committed to future developments. This does not necessarily mean that additional parking is needed throughout downtown. Strategic decks, changes to parking policies, or additional transportation demand management may be needed as downtown grows or as existing commitments are claimed. In particular, the Warehouse District may need a parking structure in the future, as the area becomes home to more tech companies, restaurants, and Union Station.

While the 10,000 city-owned spaces represent a valuable asset for the City, they also have costs. Building and maintaining a parking deck is expensive. Parking fees to go to an enterprise fund, these must bring enough revenue to cover its cost. Currently, the



How can new ground-level commercial spaces be designed to enhance streetlife and attract high-quality tenants?

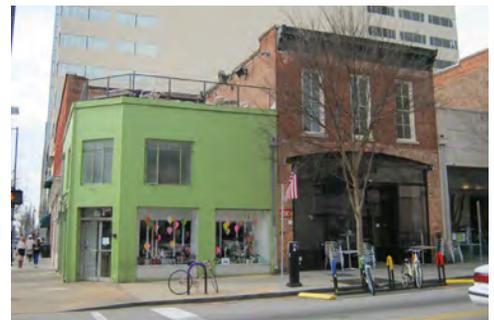
parking fund is recovering from a deficit caused by capital spending and decreased demand during the Recession. At the same time, maintenance costs can top three million dollars per year. Vandalism creates the need for additional maintenance. Vandalism is more likely to occur at night or on the weekends (when parking is free). Policy or operations changes can help to address and curb vandalism.

### Walking

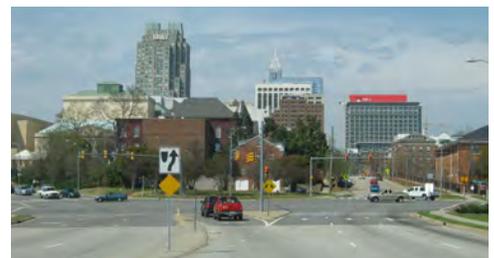
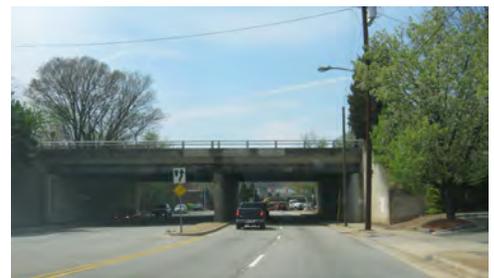
With its compact size, Downtown Raleigh has the framework to be a walkable area. Currently, however, the pedestrian experience is uneven across different parts of downtown. Creating a downtown where people want to walk requires a combination of well-designed sidewalks with benches and trees, sufficient lighting, active ground-floor uses like restaurants and retail to encourage activity, and anchor destinations. Maintenance to keep streets clean and clear of trash is also important.

One particular challenge is the relatively narrow rights of way that were laid out in the original downtown grid. Most downtown streets have a 66' wide right of way, which provides limited opportunities for wide sidewalks, outdoor dining, and other enhanced features in the pedestrian environment without narrowing vehicular travel lanes or removing on street parking. Pedestrian amenities will have to be balanced against vehicular space, to create complete streets that meet all users' needs. For example, Glenwood Avenue's current sidewalk width and cross section are insufficient to accommodate the amount of pedestrians using the streets at night. Walk distances

Bicycle accommodations are growing in the core of downtown.



How can connectivity be improved for pedestrians and bicyclists into downtown, especially along Peace Street, and at key intersections?



across these streets, conversely, benefit from relatively narrow street cross-sections. The four streets radiating from the Capitol building (Fayetteville, Hillsborough, New Bern, and originally Halifax streets) were all laid out with wider rights of way (approximately 100'), providing opportunities for enhanced streetscapes.

Fayetteville Street's redesign features gracious sidewalks, benches, and lighting. Its urban architecture and active ground-floors further create a pedestrian-friendly environment. Yet, immediately off of Fayetteville Street, the pedestrian realm is not as accommodating. Other parts of downtown include stretches of inviting streetscape coupled with active uses, but these areas are not well-connected to one another. The in-between "dark spots" interrupt the pedestrian experience and hinder connectivity between districts. Glenwood Avenue, for example, is well-lit and active at night, but streets even a block away have poor lighting. Similarly, the blocks between Salisbury and McDowell lack active uses, discouraging connections between Fayetteville

Street and the Warehouse District. In the Warehouse District, sidewalks are frequently narrow with uneven surfaces. The plan recommendations must show how Warehouse District sidewalks can be inviting while still reflecting the industrial character of the district.

In addition to inviting streetscapes, encouraging walkability requires creating a safe environment for pedestrians. Currently, walking along Peace Street, traversing from Fayetteville to Glenwood South, or navigating the Martin Luther King Jr / Salisbury / Wilmington intersection requires crossing streets that feel dangerous for pedestrians due to high traffic speeds and intersection design. Bicycle safety is a concern in these areas as well. Traffic calming and better pedestrian patterns of signals could make these intersections safer for all modes of travel.

### **Bicycling**

The City as a whole has an extensive Greenway network with more than 100 miles of trails.<sup>6</sup> The

<sup>6</sup> Capital Area Greenway Trail System. <http://www.raleighnc.gov/parks/content/PRecDesignDevelop/Articles/>



How can downtown transit service provide high quality service, comfortable stops, and welcoming facilities that give a good first-impresion of the region's transit system?

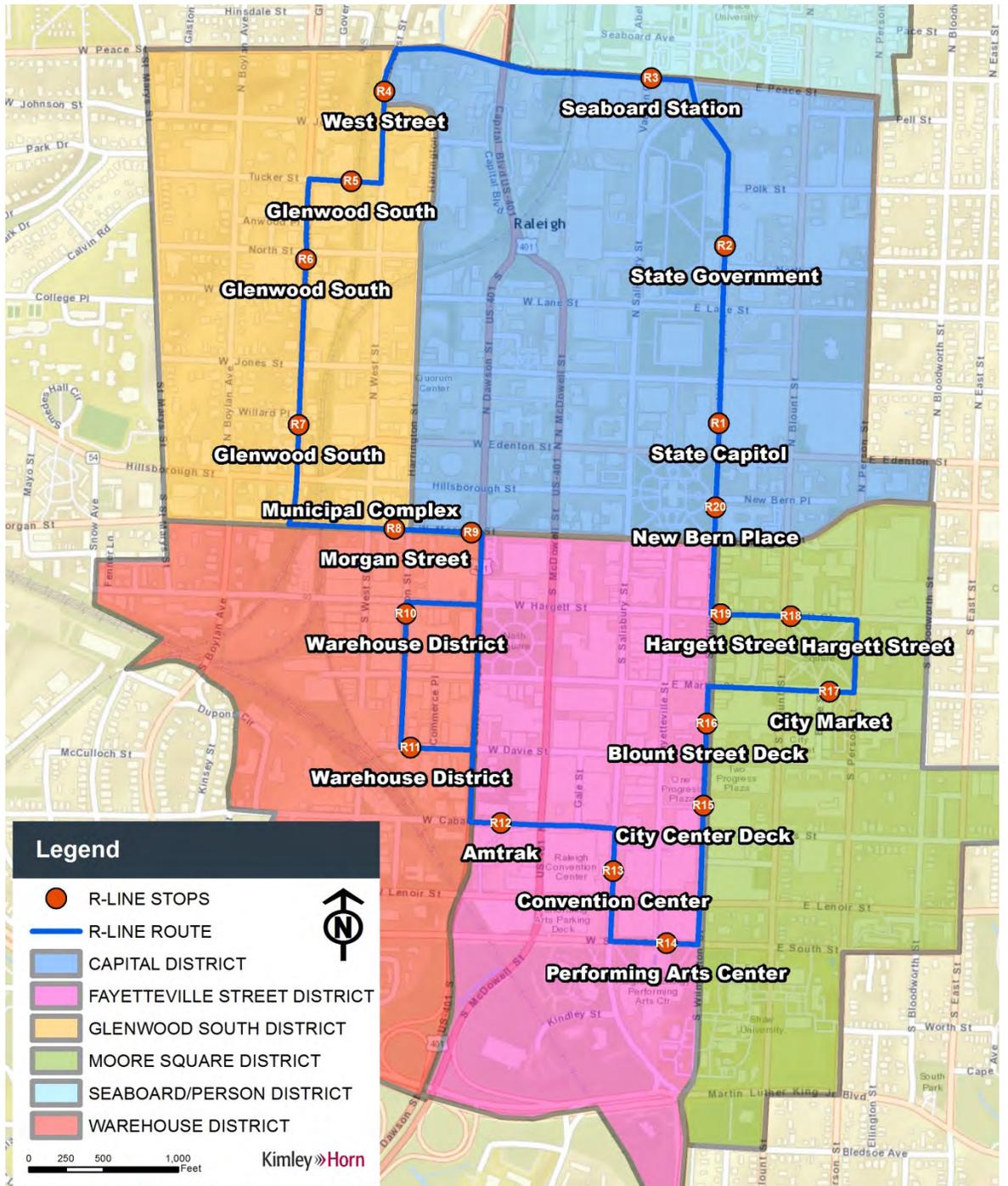


FIGURE 1: R-LINE SERVICE MAP, EXISTING

Rocky Branch and Walnut Creek trails run south of downtown. The Art to Heart Trail (from the west), and the Little Rock Creek Trail and Martin Street Connector (to the east) link into downtown. Additional links from downtown to the greenway network are desired. A particular focus of the City is to construct a greenway paralleling the Pigeon House Branch north of downtown in conjunction with future improvements to that stream and to Capital Boulevard.

Within downtown, only a few streets like Hargett and northern Salisbury Street currently have bicycle lanes or shared lane markings. Plans are underway to create a more connected and accessible network. Just under twenty eight additional miles of on-road bicycle connections are planned citywide, including about six miles in Downtown and several more in close proximity. Additional opportunities for expansion are possible. Peace Street now includes bicycle lanes west of St. Marys Street, but becomes entirely auto-oriented as it enters downtown. West Street could be a green link between the future Devereux Meadows, Peace Street, and downtown. A 2014 Bicycle Plan Update will begin soon to study how best to improve bicycling opportunities in Raleigh.

Raleigh is also looking into a bicycle share program. The Bike Share Feasibility Study and Implementation Plan recently determined that a bike share system is feasible in Raleigh. Downtown Raleigh was

found to be an area particularly well-suited for bike share. Strong support for this idea has been heard throughout the downtown public and stakeholder meetings. Bike share facilities should be linked to public transit such as at the future Union Station and downtown bus stations, to create a complete, connected system.

### **Transit**

Increasingly, high quality and efficient transit systems are becoming a baseline for a successful downtown. The City is challenged to prepare for a population that will grow exponentially over the upcoming years. New generations are locating in cities in part because they seek transportation options other than the single occupancy vehicle. A robust transit system and transportation demand management also supports growth, allowing careful redevelopment of centrally located surface parking. In order to continue to grow and remain competitive, Downtown Raleigh will require a dynamic, robust transportation system. This could be accomplished through long term projects, such as the potential for high speed rail or light rail, or short term solutions, such as improved amenities for current bus riders of the R-Line and the CAT bus lines. Currently, City of Raleigh Transportation planners are working with Wake County on creating long range plans. They also are looking at ways to reconfigure transit in Downtown to make it more useful traveling into and out of Downtown. For example, the R-Line can be tracked via GPS on an online website, which makes riding more predictable and reliable for users. Other cities have taken this farther by integrating

LED signage with bus times to bus stops. The addition of comfortable shelters, with shade and seating, also support user comfort and signal a high performing system. The Moore Square Transit Station project will help modernize the facility while also expanding capacity.

### **R-Line and CAT Service**

Downtown Raleigh is served by Capital Area Transit (CAT), Triangle Transit Authority (TTA) and the free downtown circulator bus service, R-Line. CAT operates 21 local and express routes along with the R-Line, and the TTA operates 12 express routes that serve downtown. All of CAT and TTA buses currently all downtown roadways and terminate service at the Moore Square Station Transit Mall, while the R-Line runs on local streets circulating around Moore Square and the Transit Station. The Downtown Plan is focused on improving the R-Line to make it more comfortable, efficient, and state-of-the-art.





# DOWNTOWN DISTRICTS

Downtown Raleigh is loosely organized into six urban districts, each with its own unique character, mix of uses, and growth opportunities. These districts are currently identified as: Fayetteville, Moore Square, Capital, Seaboard Person, Glenwood South, Warehouse District.

The districts shaped detail plan studies downtown in more detail, and gathers neighborhood-specific feedback from residents, businesses, and other stakeholders. The visioning process gathered neighborhood feedback from each district, adding detail to the plan.

## < DOWNTOWN RALEIGH CHARACTER:

Downtown today is defined by a series of distinct districts. Each district's special character is experienced at the heart of each district, but less so at district edges. In many places the districts feel disconnected, and these "in between" areas are less inviting especially for pedestrians. How can we better knit the districts together and build on the diverse Raleigh Experience?



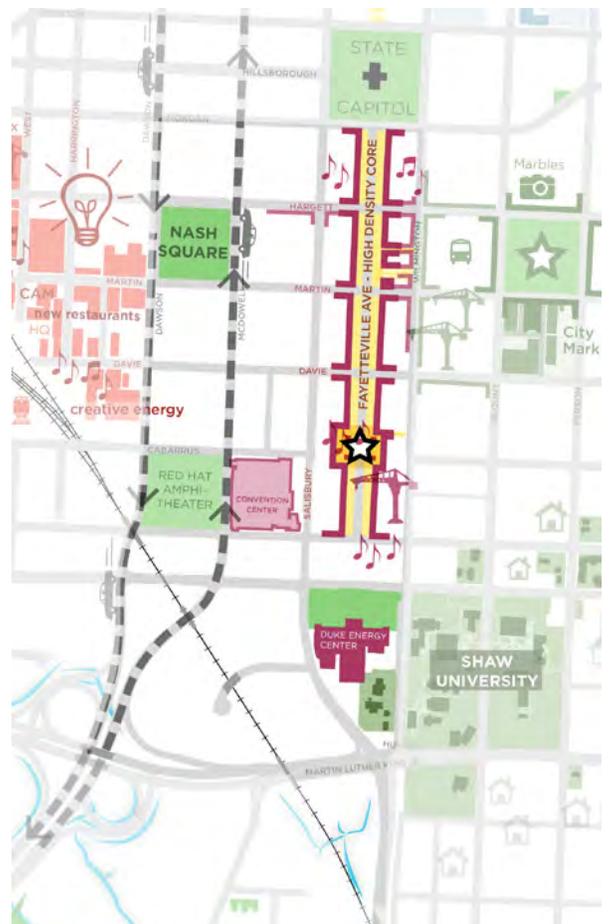


# FAYETTEVILLE ST. DISTRICT

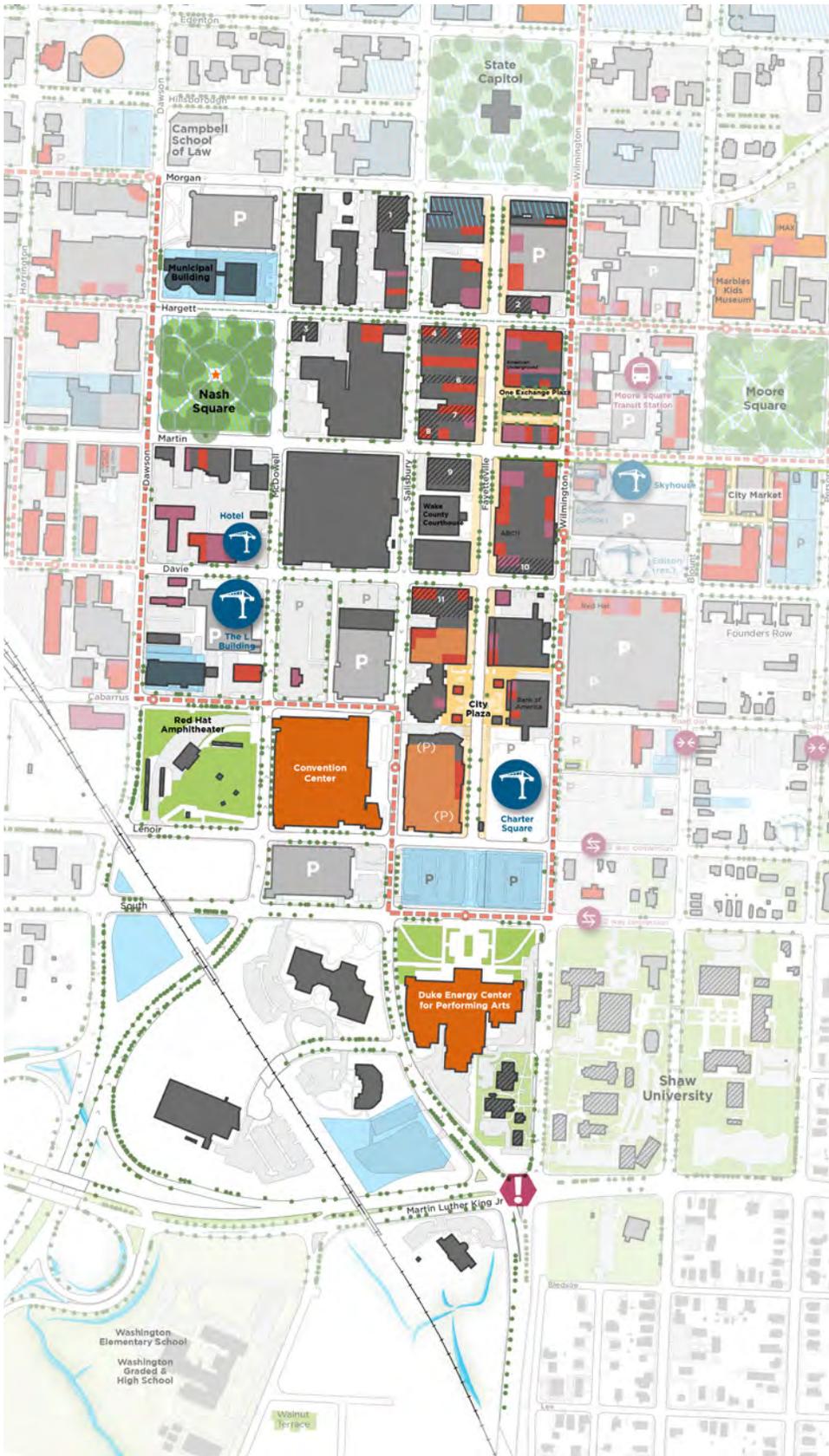


the central business district of Raleigh

Linking the State Capitol with the Duke Energy Center for Performing Arts, the Fayetteville Street District is the central business district of Raleigh. Loosely bounded by Morgan Street on the north and Martin Luther King Jr. Avenue on the South, the district's backbone is the City's ceremonial boulevard. The district is more than just a hub of office jobs; it is also home to a growing residential population in buildings like the historic Sir Walter Apartments and newly constructed PNC Plaza tower and the Hudson. In addition, ground-floor restaurants, bars, and the Raleigh City Museum add vibrancy to Fayetteville Street. Off Fayetteville Street, East and West Hargett Street is emerging as a strong retail strip.



Reopening Fayetteville Street to vehicular traffic within the past decade has led to a renaissance for the district. City Plaza hosts numerous gatherings, concerts, exercise classes, and a summer movie series. The new Convention Center anchors the southern end of the district and accommodates many visitors. The Convention Center has been successful. A potential expansion is under discussion, among other measures to expand tourism downtown. These strategies would amplify the need for more hotel rooms that are proximate to the Convention Center and downtown.



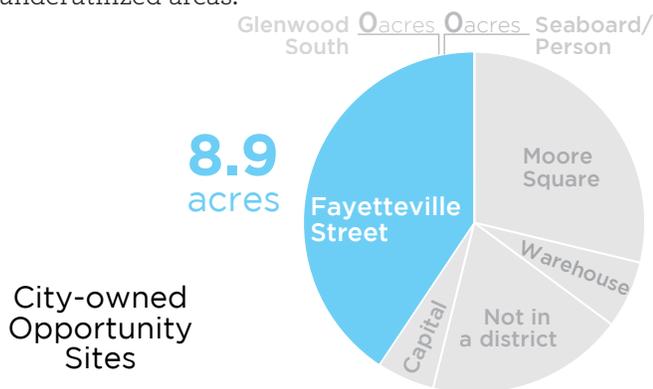
- Dining, retail, or entertainment
- Museum or Civic
- Hotel
- Service Retail
- Soft Site - City-owned
- State-owned parcel
- Greenway Route
- On-road bicycle route
- One way street
- R-Line Route and Stops
- ! Tricky intersection for pedestrians & bicyclists
- P Public parking
- (P) Underground public parking
- ⚙ New development under construction
- ⚙ Planned development
- Architecturally significant structure
- Campus / School Grounds
- Park
- Plaza
- Cemetery
- Greenway Land
- Creek

1. First Presbyterian Church
2. Old Masonic Temple Building
3. Professional Building
4. Odd Fellows Building (Commerce Building)
5. Raleigh Office Building
6. Raleigh City Museum / Briggs Hardware Building
7. North State Bank/ Mahler Buildings
8. Capital Club Building
9. Federal Building (Century Post Office)
10. Capital Bank Building
11. Sir Walter Apartments

0 200 400 800 feet



roles as an office district, residential neighborhood, entertainment strip, visitor attraction, and public gathering space. The mix of uses adds twenty-four hour life to the district, but this “buzz” also brings tension between nighttime visitors and district residents. Events bring additional visitors to the area, but also create headaches for some local residents and business owners who encounter street closures blocking their activities and ability to move around. Better publication and advance notice of street closures are needed. Alternatively, distributing some events across downtown could bring new life to underutilized areas.



### OPPORTUNITY SITES

With the exception of the Municipal Building north of Nash Square, all the City-owned opportunity sites are located in the south of the district. Sites 2 and 3 (the parking lots at the end of Fayetteville) offer opportunities to complete the Fayetteville Street spine. Further to the south and west, additional low-rise structures and surface lots offer opportunities for an improved gateway experience into Downtown Raleigh.

### KEY OPPORTUNITIES

- Develop key sites at the south end of the district for commercial or tourism uses.
- Grow tourism through investment that builds on the Convention Center
- Improve the arrival experience to Downtown Raleigh from the south.
- Improve east-west pedestrian connections to enhance connections to adjacent districts.
- Enhance Nash Square in order to increase its value as a world-class urban open space.
- Leverage City-owned properties throughout downtown to increase the amount of mixed of uses, including affordable housing and street level activity.
- Engage in land banking and incentives to encourage and to expand housing diversity throughout downtown.
- Attract, retain, and foster innovation and entrepreneurship across all districts.
- Make Shaw University an active partner in the district.



## KEY CHALLENGES

- Balancing the district’s roles as the central business district, tourism hub, and restaurant and bar destination, and growing residential community.
- Pedestrian access is difficult across McDowell/Dawson; however, these streets are important vehicular corridors.
- Dark zones exist for pedestrians outside of a few limited blocks that create safety and psychological barriers to a high-quality pedestrian experience.
- Large development footprints of public buildings and institutions impact walkability and human-scaled street activity.
- Insufficient hotel rooms for tourism aspirations.
- Nash Square is poorly designed to maximize its value as a world class urban space.
- The approach to downtown from the south is out of character with an urban downtown.
- The design of MLK, Jr. Blvd and its intersections create a significant barrier to pedestrians and bike connectivity to the south and particularly the Dorothea Dix property.
- Diversity of housing throughout downtown.
- Maintenance.

The Fayetteville District spans west to Dawson Street, but the vibrancy of Fayetteville Street tapers off beyond Salisbury in most areas of the district. Nash Square is often underutilized, just a few blocks away from vibrant Fayetteville. Multiple factors contribute to the drop-off in energy, including building uses, scale, and high traffic volumes. Several monolithic, full-block buildings with less active uses and ground floors sit between Salisbury and McDowell. For example, the convention center brings more than 440,000 visitors to the city each year,<sup>1</sup> but several of its long edges do not positively contribute to active street-life. The Wake County Public Safety Center and Municipal Building and Parking Deck are other large structures that hinder active streetlife. In addition to building footprints and uses, fast speeds and high volumes of traffic along Dawson and McDowell hinder east/west connectivity for pedestrians.

The southern edge of the district similarly does not fully reflect the vibrancy of Fayetteville Street and Downtown Raleigh as a whole. Entering downtown from Martin Luther King Jr. Blvd, the skyline is significant, but the overall character is more interstate-like than urban. Improving the southern gateway experience, especially the character of the MLK/Saunders interchange, could make for a more welcoming, memorable entry into downtown. Likewise Sites 2 and 3, the two surface parking lots at the end of Fayetteville, present opportunities to complete the spine and connect the Duke Energy Center to the State Capitol.

<sup>1</sup> Raleigh Convention Center . <http://www.raleighconvention.com/about>





# CAPITAL DISTRICT

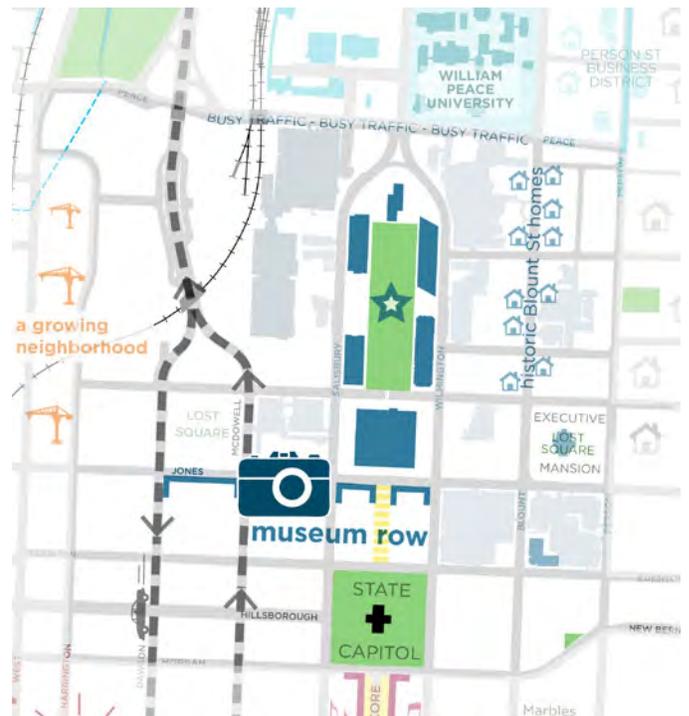
## the center of state government

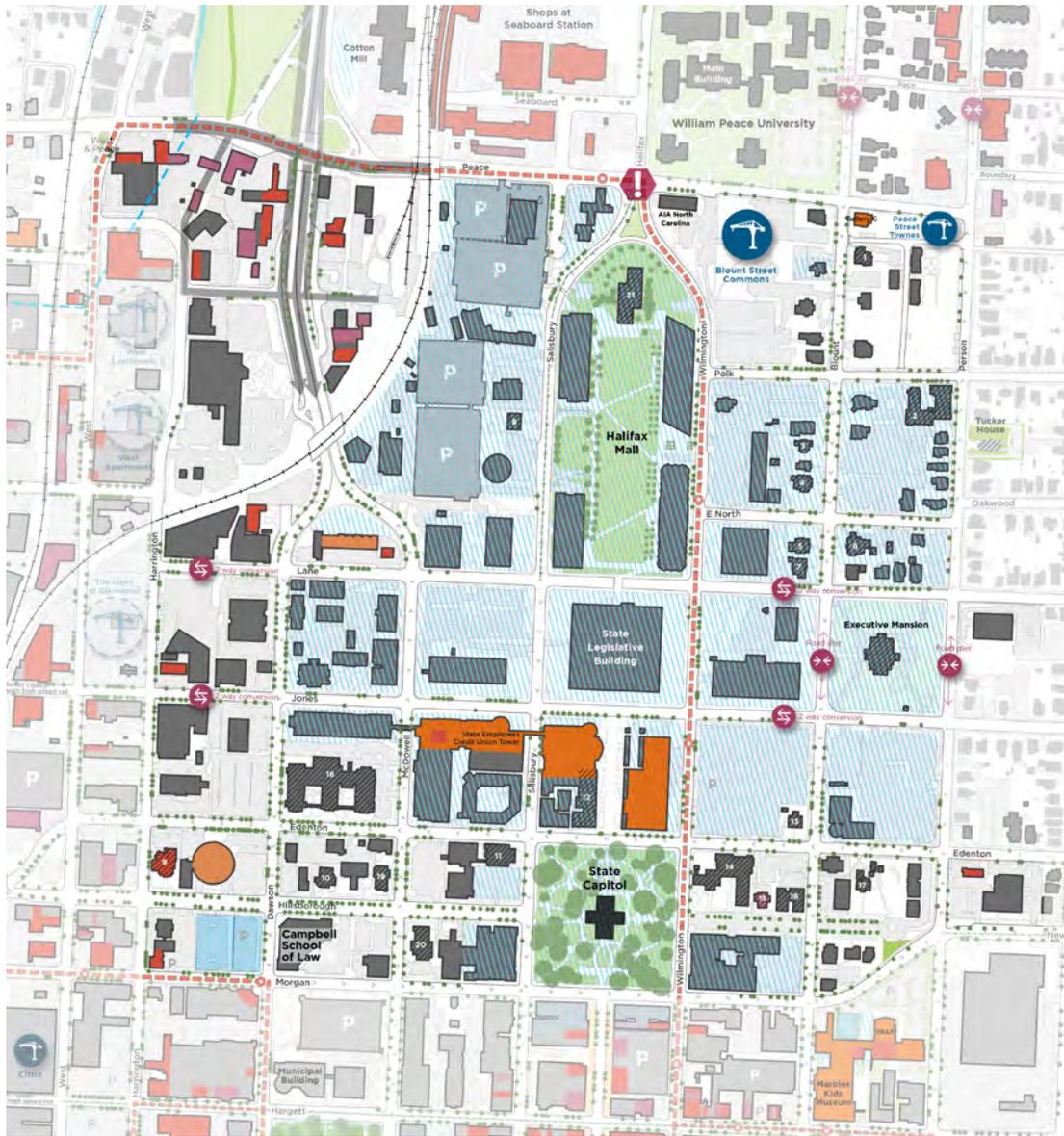
From the Capitol Square to the Legislative Building and further north, the district is largely state-owned property with government buildings and parking areas. A number of high-profile government buildings are located in the Capital District, including the Governor's Mansion, the Legislature, and the original North Carolina Capitol Building. Along Jones Street, the North Carolina Museum of History and North Carolina Museum of Natural Sciences draw visitors from throughout the state. Attracting over one million visitors last year, the Museum of Natural Sciences was the most popular attraction in the state in 2012.<sup>1</sup> Monumental state buildings are located amid a prevalence of large surface parking lots. In the northeast corner of the district, the Blount Street Commons and Peace Street Townes will provide additional residential living in the district.

Beyond the museums, ground-floor uses are largely absent in the district. The district functions mainly as a 9-5 office district. By day, over 15,000 employees crowd into the Capital District; yet, there is little to do in the evenings or on weekends. The large surface

parking lots and parking decks illustrate the auto-oriented focus of the district. Pedestrian, bike and programmatic connections to adjacent areas are weak. Sidewalks are present, but crossing streets, especially in the northern part of the district, along Pea can be difficult. Street improvements could connect William Peace and Shaw Universities and the emerging Raleigh Food Corridor from City Farm to Marbles

<sup>1</sup> Visitor numbers from Downtown Raleigh Alliance's State of Downtown Raleigh 14: An Urban Convergence of Youth + Technology (page 41); 2012 statistic from DRA's State of Downtown Raleigh 2013: The Urban Campus for the Young + Innovative. (In 2013, the Biltmore regained the top spot, but the museum was not far behind.)





1. Gray-Fish-Richardson House
2. Murphey School
3. Higgs-Coble-Helms House
4. Andrews-Duncan House
5. Heck-Andrews House
6. Hawkins-Hartness House
7. Andrews-London House
8. Seaboard Coast Line Railroad Building
9. Dodd-Hinsdale House
10. Andrew Goodwin House
11. First Baptist Church
12. Agriculture Building
13. Richard B. Haywood House
14. Christ Episcopal Church
15. State Employees Credit Union
16. Capital Apartments
17. Haywood Hall
18. Edenton St. United Methodist Church
19. Sacred Heart Cathedral
20. Church of the Good Shepherd
21. Archdale Building



 Dining, retail, or entertainment	 Greenway Route	 New development under construction	 Campus / School Grounds
 Museum or Civic	 On-road bicycle route	 Planned development	 Park
 Hotel	 One way street	 Architecturally significant structure	 Plaza
 Service Retail	 R-Line Route and Stops	 Cemetery	 Greenway Land
 Soft Site - City-owned	 Tricky intersection for pedestrians & bicyclists	 Creek	
 State-owned parcel	 Public parking		

Edible Garden and beyond. Halifax Mall provides a large green space for the district, but connectivity both physically and visually into the space is limited. The parking structure underneath will require renovations, presenting the opportunity to enhance the design of the grass lawn. Public suggestions for improving Halifax have included breaking it up into smaller areas, adding recreation fields and weekend sports leagues, ringing it with a track, and hosting large city-wide events - beyond the typical political rallies held there today.

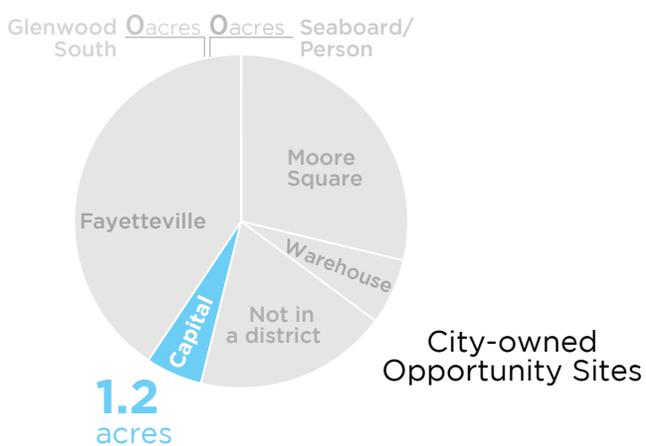
The State is planning to grow its downtown workforce and consolidate buildings. These changes will create opportunities to densify the district and create a more urban character. At the same time, this growth will be accompanied by desires for additional parking. The Capital District is a critical part of Downtown Raleigh, both in terms of land holdings and employment density. There is a tremendous opportunity to re-envision the character of the district to create a more cohesive, inviting downtown and to generate economic benefits for the State.

## KEY OPPORTUNITIES

- Promote a more efficient use of land and improved urban character.
- Create a collaborative State-City partnership for planning and programming the district.
- Work with the State to activate Halifax Mall and reclaim Caswell Square with public green space.
- Improve the street level experience and walkability.
- Consolidate and organize parking to enable development.
- Create temporary pop-up programming, such as food trucks, to fill restaurant/retail gaps.
- Redevelop City-owned sites to include a mix of uses, including affordable/workforce housing.
- Purchase land with the intent to bank/develop for maintenance of housing diversity downtown.
- Work collaboratively with the State to identify parcels that may be redeveloped/used for workforce housing.
- Retool the Blount Street Master Plan to reflect current market conditions.

## KEY CHALLENGES

- The district operates as a '9-5' office district, which minimizes vibrancy on the weekend or evenings.
- Parking is too dominate a feature of the urban landscape in the district, contributing to the lack of vibrancy.
- Topography and limited connections from the surroundings inhibit access and visibility to Halifax Mall.
- Although well-integrated with the areas east and south, connections to the Seaboard and Glenwood South areas for pedestrians and cyclists need significant improvement.







# GLENWOOD SOUTH



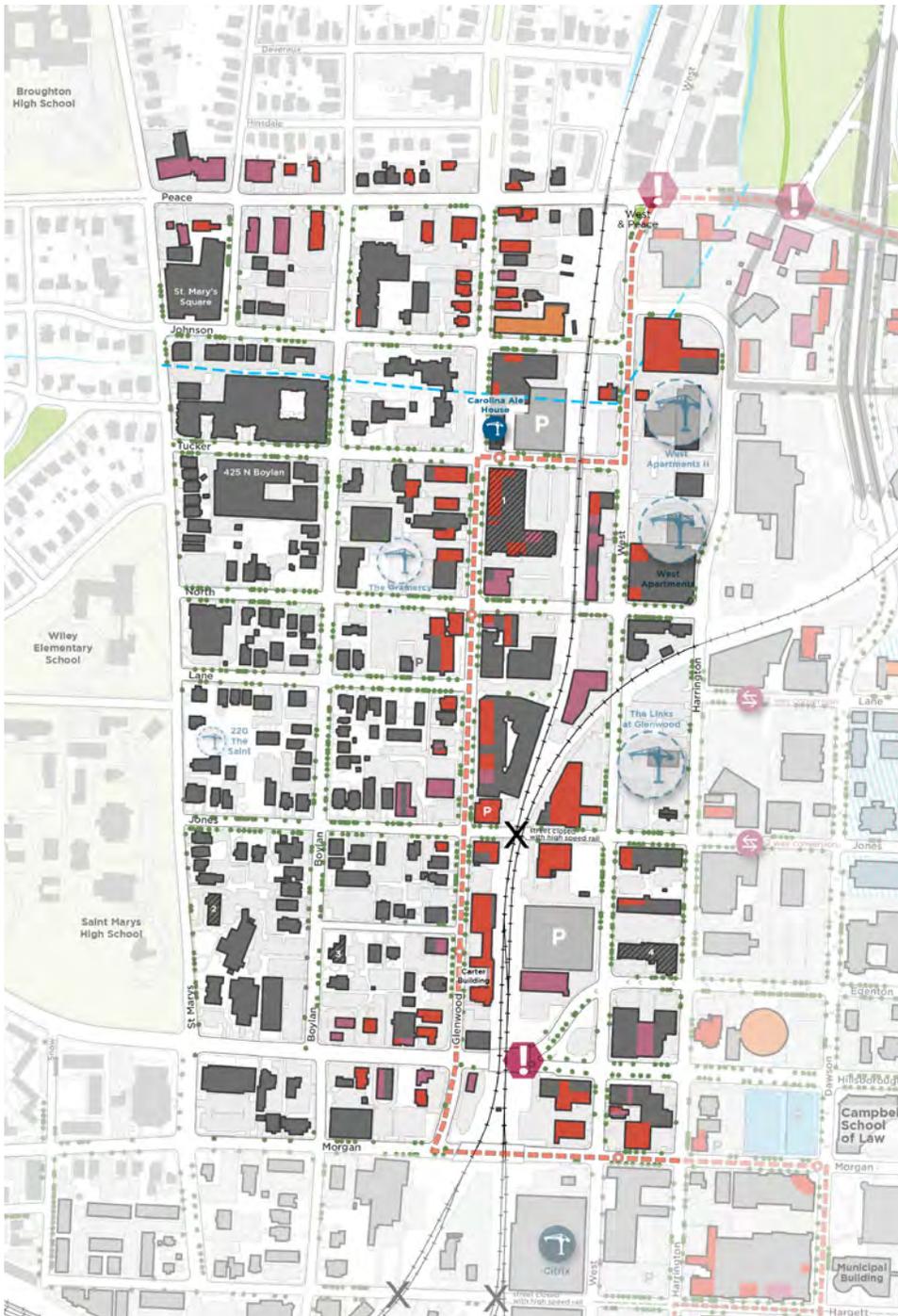
## a downtown district with a neighborhood feel

Loosely bounded by St. Mary's Street, Harrington Street, Peace Street and Hillsborough Street, Glenwood South is a downtown district with a neighborhood feel. It is anchored by bars and clubs and eclectic, locally owned shops and restaurants. It has the largest number of residents of any district in Downtown Raleigh, and continues to grow. More than 900 new condos and apartments are planned or under construction in the district.<sup>1</sup> The Carter Building attracts artists from all over the state and beyond to showcase their work in Glenwood South. What was once a row of auto garages, tire shops, upholsterers, plumbers and typewriter and TV repair shops surrounding the Pine State Creamery, a Raleigh landmark, has transformed over the past five years into a thriving restaurant and retail environment. Like Fayetteville, the mixed use nature of the district makes it a vibrant place throughout the day, but the different uses also create tension with one another. A recently adopted pilot Noise Permit process provides a way to mediate conflicts between business owners and residents in the entertainment district.<sup>2</sup>



<sup>1</sup> Downtown Raleigh Alliance. State of Downtown Raleigh 14: An Urban Convergence of Youth + Technology (page 7)

<sup>2</sup> For more about how the process will work see "New Noise Permit Process Brings Together Neighbors, Business Owners" Ariella Monti. Raleigh Public Record . May 15, 2014. <http://raleighpublicrecord.org/news/city-council/2014/05/15/new-noise-permit-process-brings-together-neighbors-business-owners/>



- Dining, retail, or entertainment
- Museum or Civic
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- Soft Site - City-owned
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- (P) Underground public parking
- New development under construction
- Planned development
- Architecturally significant structure
- Campus / School Grounds
- Park
- Plaza
- Cemetery
- Greenway Land
- Creek

1. (former) Pine State Creamery
2. Tucker Carriage House
3. Elmwood
4. St. Paul A. M. E. Church

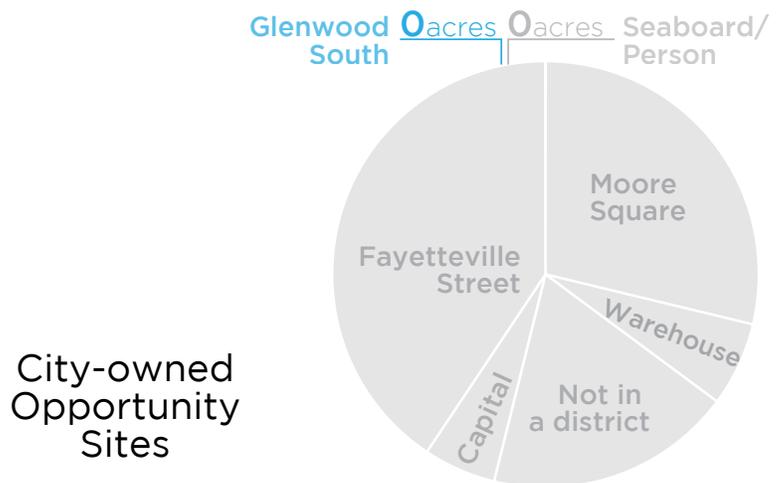


The largest challenge for Glenwood South is to ensure residential services keep up with its rapid growth. How can the district provide ample green space, service retail, and other residential amenities to support its growing population? The need for more green space has been a frequent topic of discussion at meetings and on [PlanningForRaleigh.com](http://PlanningForRaleigh.com). Suggestions range from public plazas, to pocket parks on underutilized land along the railroad tracks, to landbridges that can physically connect over rail while also providing green social space.

Streetscape improvements to Glenwood Avenue are also important for walkability within and beyond the district. The sidewalks are often narrow, and outdoor dining can further limit pedestrian passage. The public realm of the street is undersized for its importance as a dining, retail, and entertainment corridor. Expanding the sidewalks is constrained,

however, by the importance of Glenwood Avenue as a through street for vehicles. Currently, the street has one travel lane in each direction most hours of the day, but during peak times in the more traveled direction, the parallel parking lane converts to driving instead. The travel lanes are already narrow as well (10.5'). Taking these factors into account, what are the options for improving the Main Street character of Glenwood Avenue? Other streetscape and circulation issues in the district include the need for better signage of parking opportunities, especially private decks, and improving lighting on streets away from Glenwood Avenue.

Glenwood South is within walking distance of Warehouse and Fayetteville Street districts, but the character of the street connections between districts can make the distance seem unpleasant and long. Dangerous intersections also make the walk more



difficult. This connection may become even more challenging if light rail comes to Raleigh and takes a route along existing rail. Light rail would bring many benefits, but it would also likely necessitate the closing of several streets that currently connect the districts. The district is also proximate to Cameron Village, a destination for retail and the closest public library. Streetscape improvements, enhanced intersections for pedestrian safety, and active uses along key streets would improve connectivity. West Street is also an important factor. In the future, West Street has the potential to become a green connector, linking Devereux Meadows and the Pigeon House Branch through Glenwood South, to the Warehouse District, Dorothea Dix Park, and south to the greenways beyond downtown. Glenwood Avenue is too narrow for bicycle lanes, but West Street could easily accommodate bicycle infrastructure. Streetscape and lighting improvements linking Glenwood Avenue to West Street would also help support a new identity for West Street.



## KEY OPPORTUNITIES

- Leverage the growing residential population to diversify the goods, services and amenities available.
- Improve the Main Street character of Glenwood Avenue.
- Create a retail strategy to add neighborhood amenities.
- Improve the Main Street character of Glenwood Avenue.
- Improve lighting and streetscapes throughout the district.
- Enhance and link West Street as an important north/south connector.
- Find potentials for new green space and better connections to nearby green spaces (such as Pigeon House Branch and future Devereux Meadows).
- Improve connections to adjacent districts and Cameron Village.
- Improve public parking signage and explore additional methods for increasing public parking options.
- Purchase land with the intent to bank/develop for maintenance of housing diversity downtown.

## KEY CHALLENGES

- Residential amenities are limited (e.g. green space, dog parks, playgrounds, grocery store/service retail).
- Peace Street, east of Glenwood is a significant safety and connectivity concern for pedestrians and bicyclists.
- Publicly owned land with the potential for catalytic change is absent in the district.
- Current tension between entertainment venues and residents (e.g. noise, litter).
- Connections to Warehouse, Fayetteville, and Capital Districts are weak. The rail lines create a barrier between Glenwood South and other downtown districts.
- Glenwood Ave is narrow and a significant vehicular through-street which is a challenge for a generous pedestrian realm.
- More daytime pedestrian visits are desired by district businesses.







# MOORE SQUARE DISTRICT

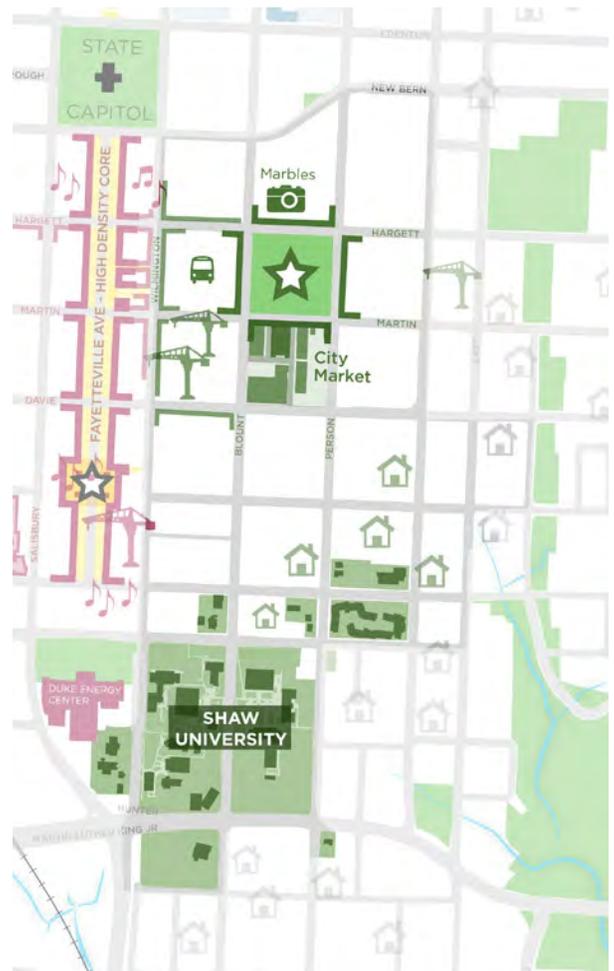


## eclectic historic district centered around Moore Square and City Market

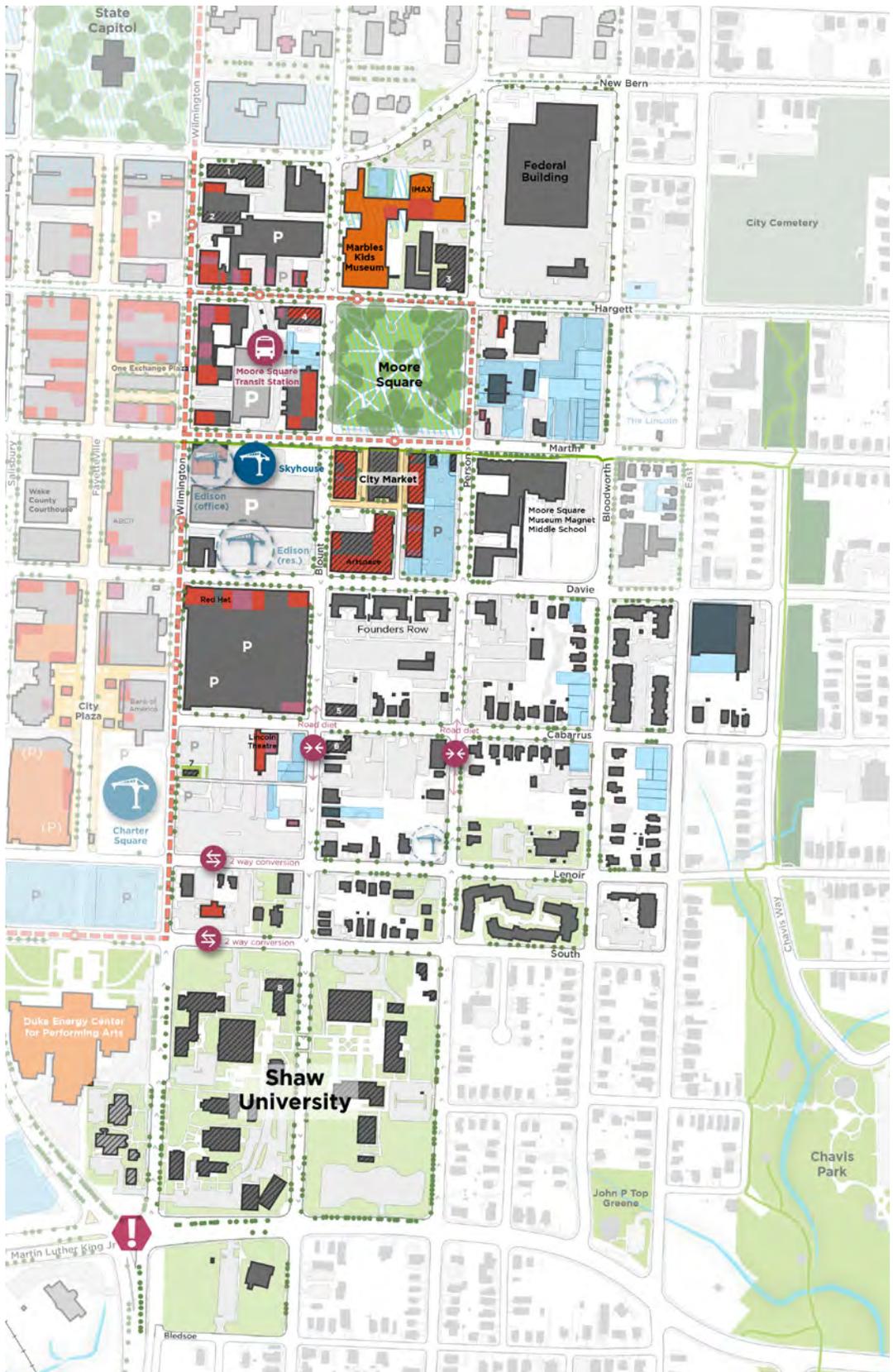
Moore Square is a diverse district with an array of ethnic cuisines, entertainment destinations, galleries, and local retail. The Moore Square District's name arises from the urban park housed on the city block bounded by Hargett Street, Blount Street, Martin Street, and Person Street. The district is home to and Raleigh's oldest pharmacy and was historically an important African American retail and social hub. Raleigh became an important stop-over point for Jazz musicians traveling from New York to Atlanta. City Market and Artspace are at the heart of the district, and Marbles Kids Museum draws visitors from throughout the region. Marbles Kids Museum was the #6 visitor destination in the state last year.<sup>1</sup> Today, the greatest challenges facing the district are perceptions of safety and the reputation of Moore Square.

both the park and the transit station are underway, and physical improvements will need to be accompanied by enhanced maintenance and regulatory enforcement to continue to improve impressions. The district's concentrated homeless population due to a

The Moore Square park and Transit Station are both under-performing amenities, with perceived safety and public accessibility issues. The station is the central transfer point for the entire Capital Area Transit system, but the area has a reputation for vagrancy and illicit behavior, hindering many from enjoying the park space. Poor maintenance does not improve perceptions of the area. Plans to improve



1 "North Carolina's top 30 tourist destinations of 2013." Triangle Business Journal. [http://www.bizjournals.com/triangle/blog/2014/02/north-carolinas-top-tourist.html?s=image\\_gallery](http://www.bizjournals.com/triangle/blog/2014/02/north-carolinas-top-tourist.html?s=image_gallery)



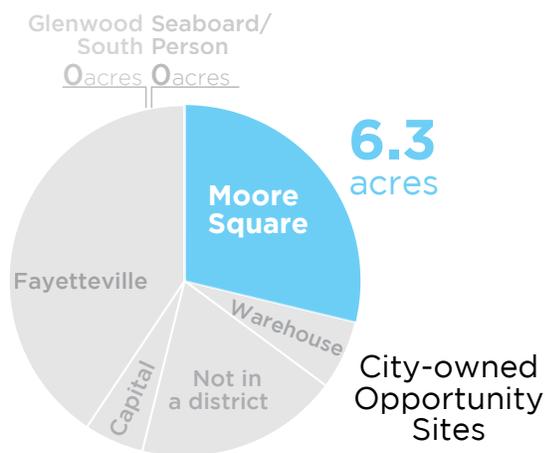
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- Creek

1. First Baptist Church
2. Prairie Building
3. Longview Center
4. Montague Building
5. Masonic Temple Building
6. Tupper Memorial Baptist Church
7. Dr. M. T. Pope House
8. Estey Hall



concentration of social services in this area reflects a city-wide need to recommit to addressing this tough issue. More opportunities for temporary housing and permanent affordable housing are needed.

Shaw University anchors the southern end of Moore Square; yet, it feels disconnected from the rest of the district. Inexpensive activities for students are limited, so there is little interaction between students and Downtown Raleigh. Improving pedestrian and bicycle links from Shaw could be a part of improving connectivity. Students need access to local jobs and classes at other universities, but public transportation is not always available or convenient. The Moore Square Transit Station is less than a half-mile from campus, so with a short walk or bicycle ride, students could be within access of additional bus routes. South of campus, improving the MLK/Wilmington/Salisbury intersection would also help improve pedestrian and bicycle connectivity from campus.



## KEY OPPORTUNITIES

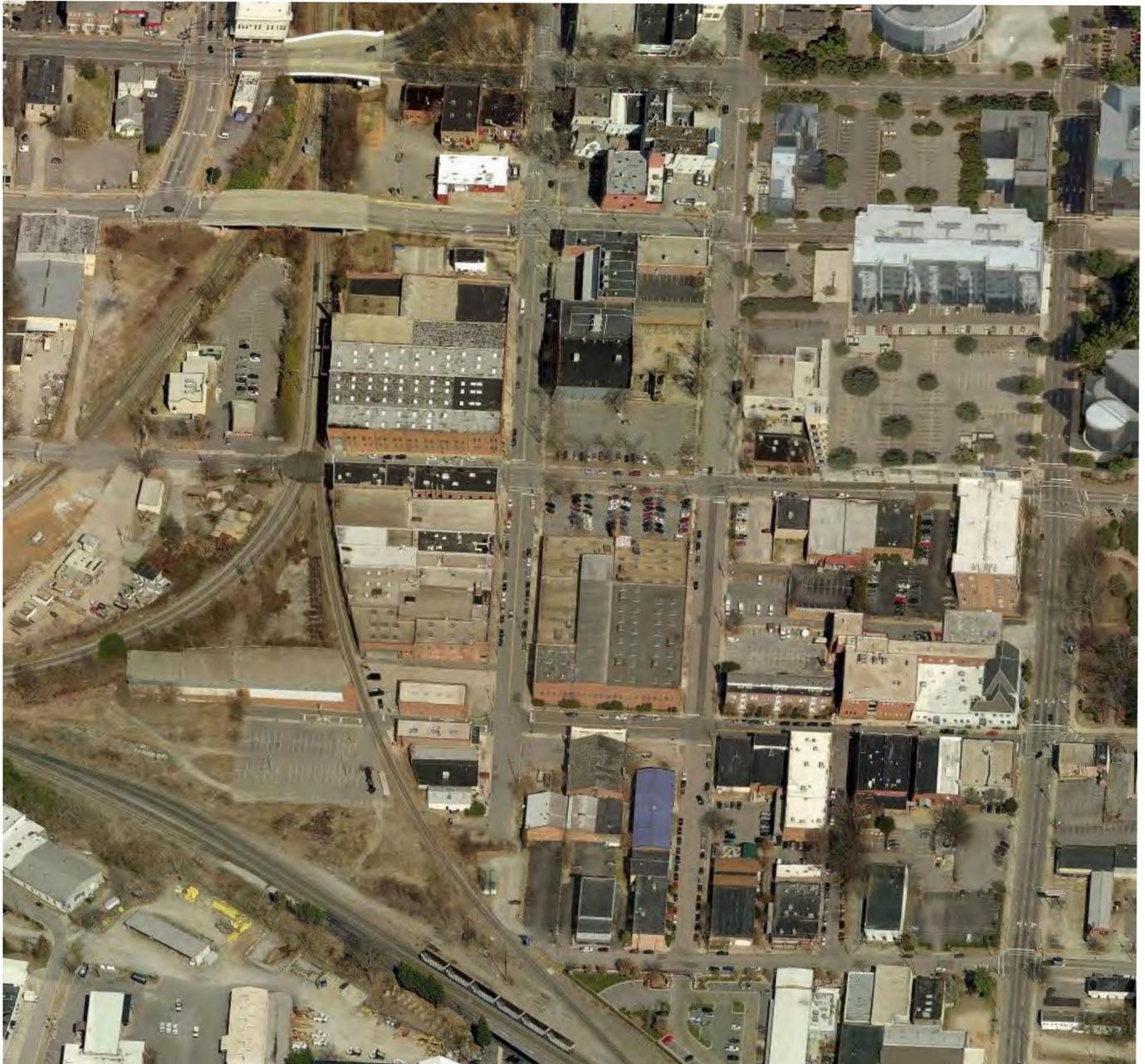
- Explore incentives or mechanisms to revitalize Cobblestone Hall / City Market as a city-wide anchor.
- Implement the Moore Square Park design to transform use of the park.
- Implement a high-quality renovation to the Moore Square Transit Station in order to enhance user comfort and utility, promote choice transit usage and value to adjacent properties.
- Expand Marbles Kids’ Museum.
- Enhance connectivity between Shaw University, the district, and downtown as a whole
- Develop city-owned sites (6.3 acres total), including the site east of City Market.
- Consider housing for homeless population.
- Redevelop City-owned sites to include a mix of uses, including affordable/workforce housing.
- Purchase land with the intent to bank/develop for maintenance of housing diversity downtown.
- Connect Chavis Park to downtown.

## KEY CHALLENGES

- Perception of safety issues.
- As the historic anchor of the district, City Market remains underutilized as a commercial/retail hub.
- Shaw is an institutional anchor, but has limited access to student-friendly venues.
- Maintaining small-scale, active ground floor character and through-block connections with larger, taller new construction.
- The Moore Square Transit Station is over capacity and provides poor levels of passenger amenity and pedestrian space.
- Private ownership of City Market.
- Capitalize on the district's important history to create a uniquely Raleigh destination.
- Leverage the momentum created by the "Raleigh Food Corridor" project.
- Consider services, delivery, facility and policy strategies to help support the homeless population.
- Moore Square Park is poorly maintained and poorly designed to modern standards of urban parks.

New residential development underway in Moore Square will bring new residents to the district. Lincoln and Skyhouse both include luxury apartments. As the district continues to develop, care must be taken to balance new development with the district's historic, small-scale, eclectic charm, and ensure that all income levels are provided for.





# WAREHOUSE DISTRICT

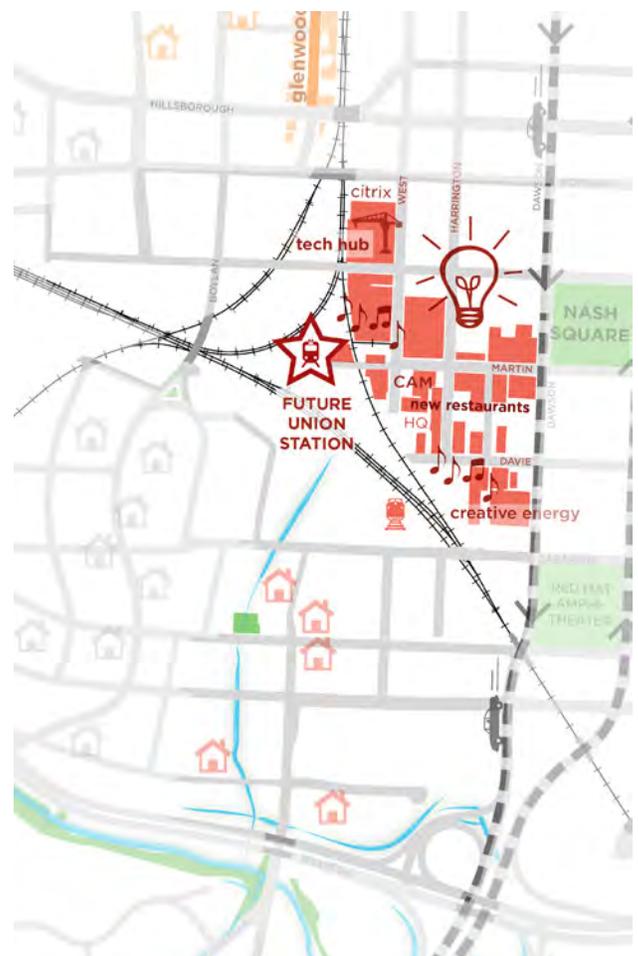


characterized by an industrial past, moving towards a high-tech future

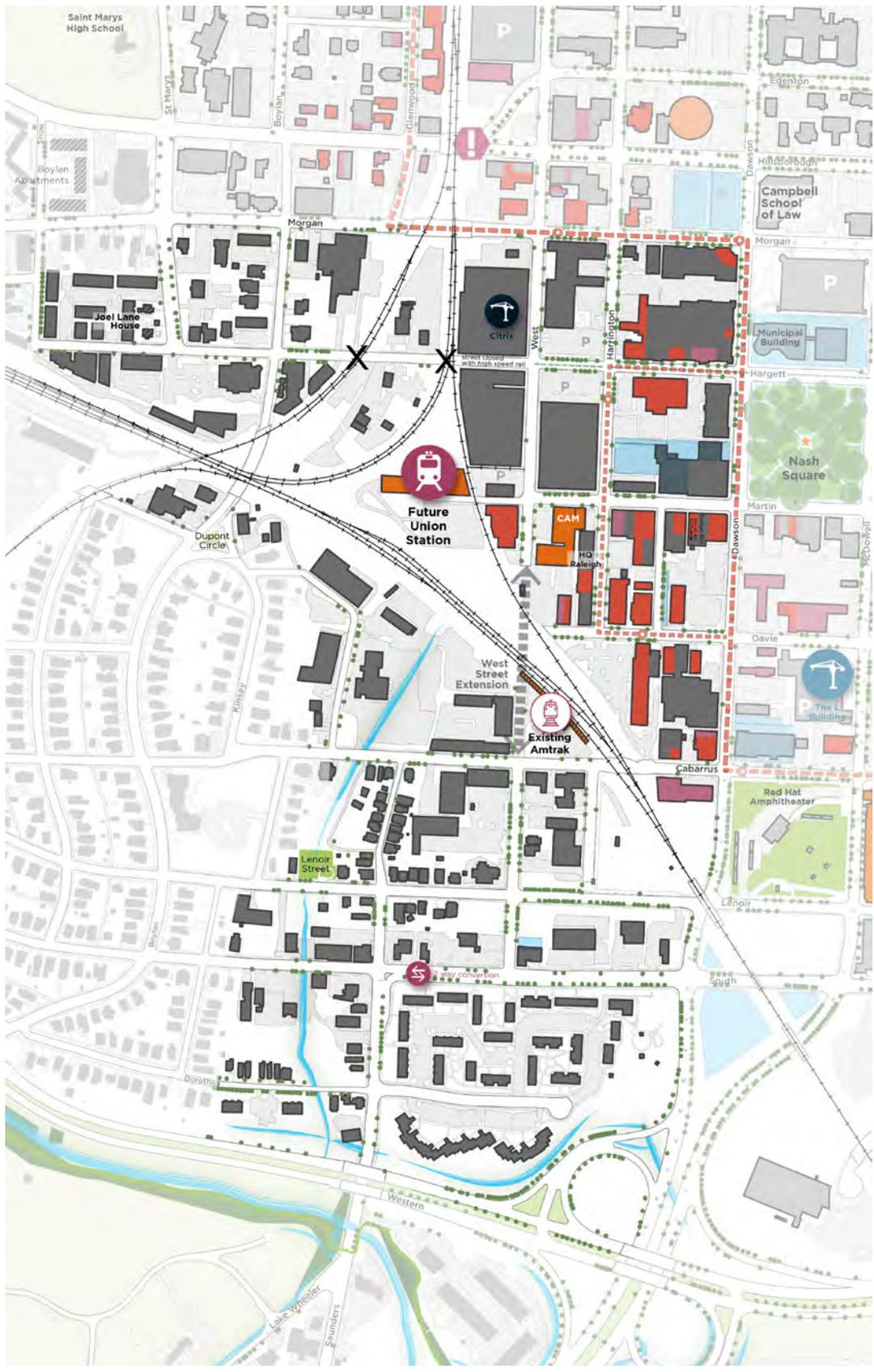
The Warehouse District is emerging as the new arts district with a mix of restaurants, specialty shops, creative businesses, galleries, and the Contemporary Art Museum.<sup>1</sup> New tech companies, including Citrix and startups in HQ Raleigh, are also calling the Warehouse District home. With the new Union Station on its way, the district will see even more change in the coming years. Key questions for the district are - How can new growth be balanced with the district's unique, historic character? How can the city's physical improvements or policies support the small business and start-up community? Adaptive reuse and character preservation are key themes in the Warehouse District, as evidenced by the transformation of the Historic Depot into a bustling group of restaurants and businesses.

As the district grows, other supportive uses may also be needed, to augment the growing office and tech community. Today, street meters in this area see little use, but a parking deck may be needed within the next few years as population and employment grow, and Union Station comes in. Likewise, a hotel could bring more visitors to the arts and innovation district. As the

area transitions from an industrial focus to a diverse mix of arts, innovation, retail, restaurant, and other uses, it will be increasingly important to improve the pedestrian experience. Today, sidewalks are narrow and uneven in many parts of the district, and street lighting is not always adequate. While this character strongly reflects the industrial past of the area, what



<sup>1</sup> The Warehouse District was recently named one of the "10 best city art districts around the USA." [Leif Pettersen. USA Today. May 9, 2014. (<http://www.usatoday.com/story/experience/america/best-of-lists/2014/05/07/10-best-city-art-districts-around-the-usa/8807535/>)]



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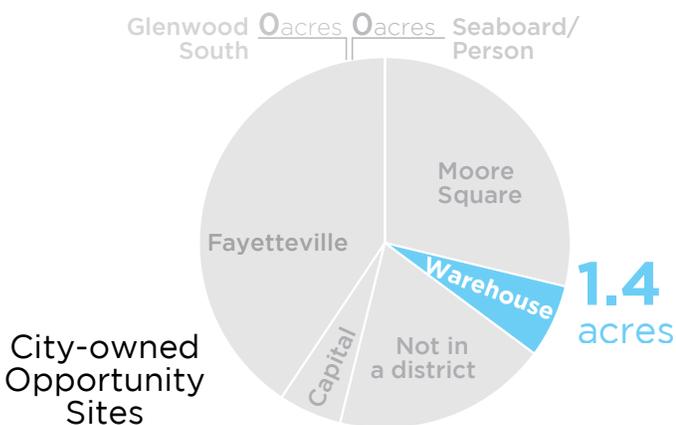


are other designs can help recall the past while also making the present-day pedestrian realm safe and enjoyable? Cobblestone thresholds and interesting lighting along buildings were ideas suggested at the Warehouse District public meeting. Additionally, the district is trisected by rail lines and the western and southern portions of the district feel disconnected. The West Street extension will be an important step in improving connectivity within the district, to Boylan Heights, and greenways south of Downtown Raleigh.

The new Union Station is a tremendous opportunity for the district and for Raleigh as a whole. The station will be a new gateway into the city. How can the Warehouse District provide an exciting first experience for visitors? Martin Street will be an important connector street between Union Station, Fayetteville Street, and Moore Square. An inviting streetscape, improved intersection crossings, and continued investment in ground level activity and design will support a strong first impression. Nash Square is a key opportunity to provide a neighborhood park and an active, shaded stop along the path. Heading north from Union Station, West Street, once re-connected, is an important vehicular link to Glenwood South, Peace Street, and northern neighborhoods.

## KEY OPPORTUNITIES

- Keep the momentum going.
- Build on the identity and branding of the district as a center for innovation and entrepreneurship.
- Union Station can catalyze transit-oriented development.
- Historic and adaptive reuse strategies can expand development while preserving the district’s valued character.
- There is potential demand for a parking deck or a hotel.
- Create walkable or bikeable connections to the Dorothea Dix property.
- Redevelop City-owned sites to include a mix of uses, including affordable/workforce housing.
- Build on the identity and branding of the City as a center for innovation and entrepreneurship with the district as a hub.
- Union Station plaza is an important asset to increase access to open space.
- Keep Warehouse character. Do not homogenize.
- Don’t overlook historic identity.



## KEY CHALLENGES

- Maintaining the district's unique character amid future development.
- There is limited open space in the immediate district, and Nash Square is underutilized.
- Western and southern parts of the district are disconnected by rail lines.
- McDowell and Dawson's vehicular dominance creates a safety and physical barrier to east-west pedestrian movement.
- Additional daytime pedestrian visits are needed to support retail.
- Union Station is a major opportunity for transit-oriented development; yet, there is little publicly owned land close to Union Station.
- Nash Square is poorly designed to meet the needs of a 21st Century city.
- Keeping the district's unique character amid future development.
- Western and southern parts of the district are disconnected by rail lines.
- Union Station is a major opportunity for transit-oriented development; yet, there is little publicly owned land close to Union Station.





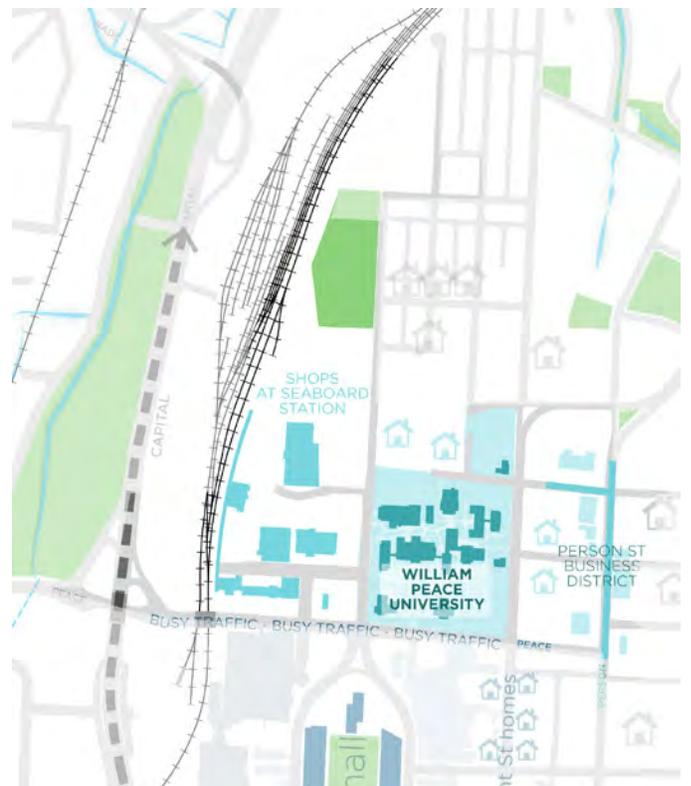
# SEABOARD / PERSON ST



## Vibrant shopping and dining destination

A strong local shopping and dining destination, the Seaboard Street / Person Street District has been recognized nationally as an up-and-coming neighborhood to watch.<sup>1</sup> With City Farm, Music on the Porch Series, Mordecai Historic Park, local shops and restaurants, and well used recreation fields and a community center at Halifax, there is a lot to do in the district.

The district, referred to as the North End, has three main areas: The Shops at Seaboard Station, William Peace University, and the Person Street business district. Each area has a different character and a strong individual identity. One possible opportunity is to create a shared identity and better internal connections. The rail yard, super-blocks, and underutilized land like the transmission area on Halifax Street all contribute to the area's difficult internal connectivity. Franklin Street was recently closed, but there is strong interest from the neighborhood in restoring a pedestrian link across the district.



<sup>1</sup> "10 up-and-coming neighborhoods around the USA." Leif Pettersen. USA Today . <http://www.usatoday.com/story/experience/america/best-of-lists/2014/05/07/10-up-and-coming-neighborhoods-explore-this-summer/8814935/>



- |  |  |   |   |
|--|--|---|---|
|  Dining, retail, or entertainment |  Greenway Route                                   |  New development under construction    |  Campus / School Grounds |
|  Museum or Civic                  |  On-road bicycle route                            |  Planned development                   |  Park                    |
|  Hotel                            |  One way street                                   |  Architecturally significant structure |  Plaza                   |
|  Service Retail                   |  R-Line Route and Stops                           |   |  Cemetery                |
|  Soft Site - City-owned           |  Tricky intersection for pedestrians & bicyclists |   |  Greenway Land           |
|  State-owned parcel               |  Public parking                                   |   |  Creek                   |

External links from the district to the rest of downtown and west to Glenwood, Five Points, and the future Devereux Meadows park are difficult, but Blount Street is the district's vital link to downtown offering easy connections to Blount Street Commons, Historic Blount Street, Oakwood, the Capital District, and Moore Square. The Raleigh Food corridor follows this same route which connects all points along the corridor through downtown food ways.

Peace Street is a major east/west corridor. It is also a significant barrier to pedestrians and bicyclists, and the rail lines block opportunities for easier connections further north. Currently, getting to this district on foot or by bicycle is difficult from other parts of downtown; improving access to and through the district is critical to help it develop as a mixed use retail and restaurant district. There is an opportunity to better connect south through improvements both to Peace Street and through redevelopment of the Capital District.

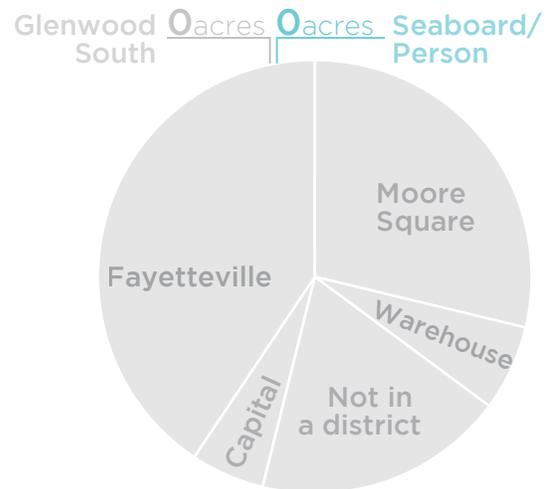
### **KEY OPPORTUNITIES**

- Improve Peace Street's accessibility for all modes of travel (both along it and through safe intersections across it).
- Develop diverse, urban land uses on underutilized sites.
- Improve connectivity and access to green spaces, such as Pigeon House Branch/future Devereux Meadows and Halifax Mall.
- Continue to foster unique retail and community activities within the district.
- Implement Blount Person Street corridor study.
- Purchase land with the intent to bank/develop for maintenance of housing diversity downtown.
- Improvements to the Peace Street and Capital Blvd interchange will greatly enhance pedestrian safety and comfort.

## KEY CHALLENGES

- The district lacks a connective street grid and is not currently pedestrian friendly.
- Seaboard/Person is disconnected from the rest of downtown by Peace Street and the Capital District.
- William Peace University is a major challenge.
- Improvements must balance neighborhood wishes for cross-district connectivity with William Peace University's goals for a secure campus.
- Opportunities to connect over the rail to provide direct access to the future Devereux Meadows and Pigeon House Branch restoration are prohibitively complex and very expensive.
- Peace Street creates a pedestrian/bicycle safety and physical barrier to adjacent districts.
- Opportunities to connect over the future Devereux Meadows and Pigeon House Branch restoration are prohibitively complex and very costly.

## City-owned Opportunity Sites



# APPENDIX A

Downtown Plan

City of Raleigh, NC

Real Estate Market Analysis

HR&A July 24 2014



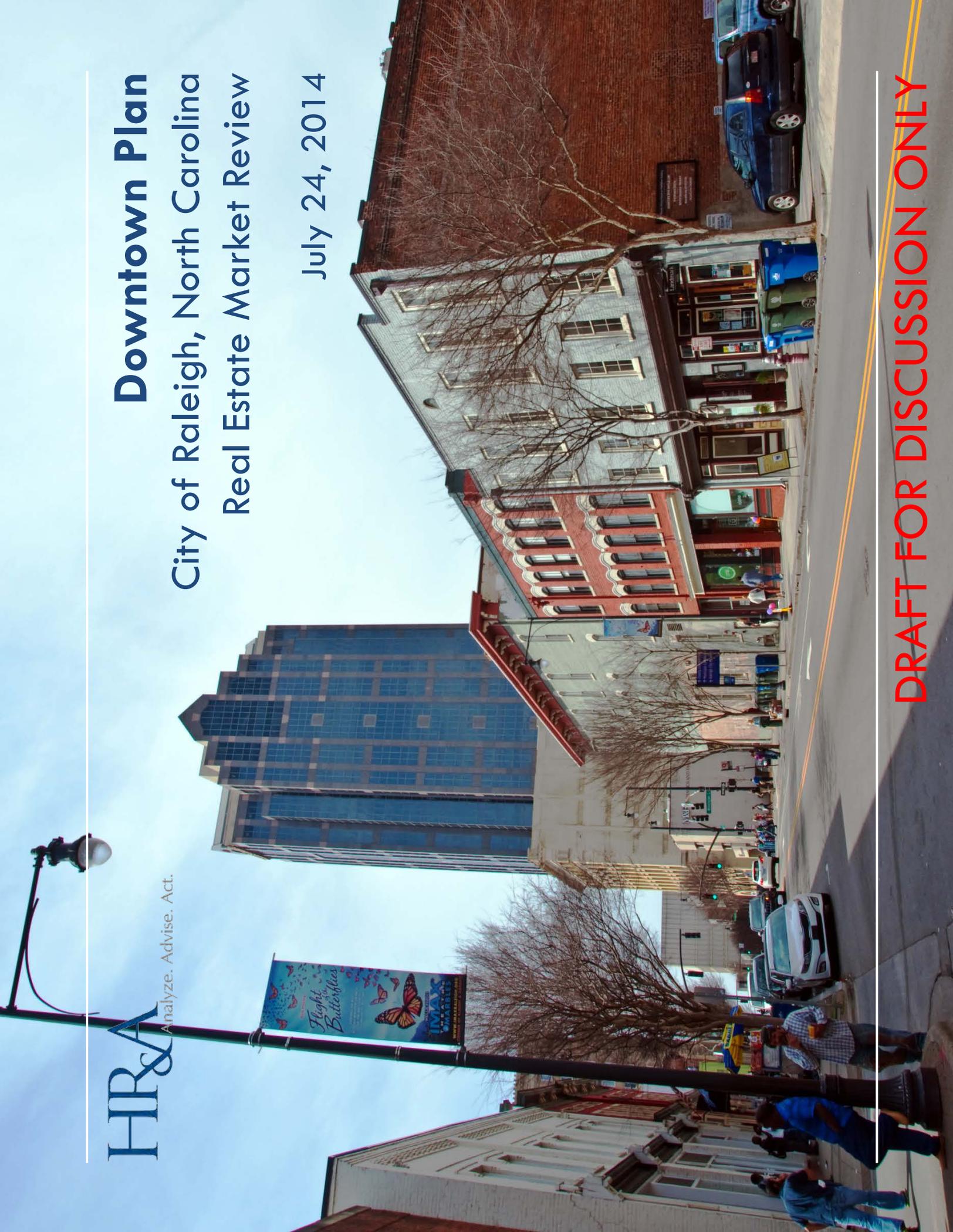
Analyze. Advise. Act.

# Downtown Plan

## City of Raleigh, North Carolina

### Real Estate Market Review

July 24, 2014



DRAFT FOR DISCUSSION ONLY

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# Table of Contents

Executive Summary

Residential Market Review

Office Market Review

Retail Market Review

Hotel Market Review

Conclusions

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# Executive Summary

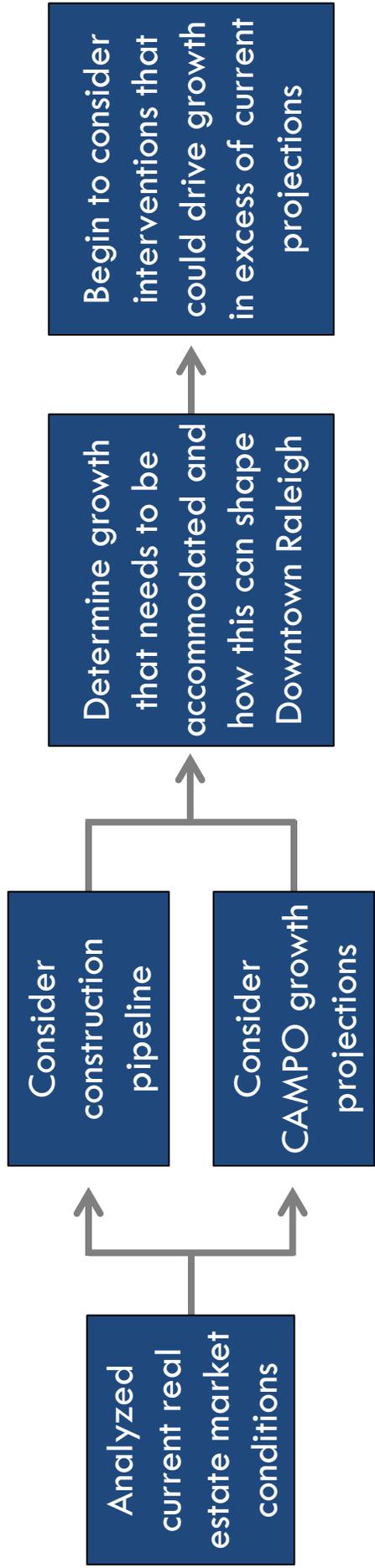
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## Executive Summary

Downtown Raleigh is poised for significant amounts of new development across multiple asset classes. The region's strong economic fundamentals and nascent trends towards urban living and working bode well for Downtown's future success, particularly as a residential location. In a largely suburban region, Downtown Raleigh's success as the premier urban center is critical to the entire Triangle's economic competitiveness.

The key question as part of this Downtown planning process is how this strong market demand can be leveraged through strategic public interventions to shape the future Downtown the community desires. This briefing book outlines the future development trajectory for Downtown Raleigh to foster a conversation with key stakeholders. This document is organized by product type in order to emphasize the particular opportunities and challenges associated with each real estate asset class in Downtown Raleigh.

### Overview of HR&A's Methodology



# Asset Class Findings

Below are HR&A's major high-level findings for each asset class, including key challenges or opportunities, and primary objectives for future interventions:

- Residential**
  - Downtown's population is projected to grow much faster than it has previously.
  - While short-term saturation is possible, a longer term strategy should focus on strategic interventions to activate development in less ripe areas of Downtown.
- Office**
  - Downtown's office market saw an uptick in absorption and rents in 2013, but the small size of the regional market constrains significant new development.
  - Amenitizing the downtown to compete for office tenants is a priority.
- Retail**
  - Downtown's restaurant and nightlife scene is now complemented by a budding retail scene that has pushed vacancies down significantly.
  - Interventions and tools can help limit leakage to surrounding competitive retail.
- Hotel**
  - Continued success of Downtown as a business and tourism center will require new hotel rooms, with an opportunity to diversify across neighborhoods.
  - Incentives are likely necessary to facilitate development of HQ hotels.

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## CAMPO Projections Methodology

Much of the analysis in this briefing book relies upon development projections furnished by the North Carolina Capital Area Metropolitan Planning Organization (CAMPO). CAMPO is a federally-funded and federally-regulated policy organization comprised of representatives from local government and local transportation authorities.

As part of its 2040 Metropolitan Transportation Plan, CAMPO convened planners and real estate development experts from throughout the Triangle to help produce robust development estimates for each of the 2,600 Traffic Analysis Zones (TAZs) that comprise the region. Within these areas, planners determined the remaining build-out potential of individual parcels based on the level of current development, zoning, and other constraints (“supply side”). The region’s total anticipated population and employment growth was then allocated across TAZs by applying development suitability factors intended to measure which areas with available supply would be most attractive to future development (“demand side”).

These robust projections provide a baseline for this analysis. Strategies that could be implemented as part of this plan have the potential to increase both the supply capacity of Downtown Raleigh (e.g. site assembly; regulatory reform) and demand for locating in Downtown Raleigh (new amenities and infrastructure), and thus influence Downtown’s ability to achieve and exceed these projections.

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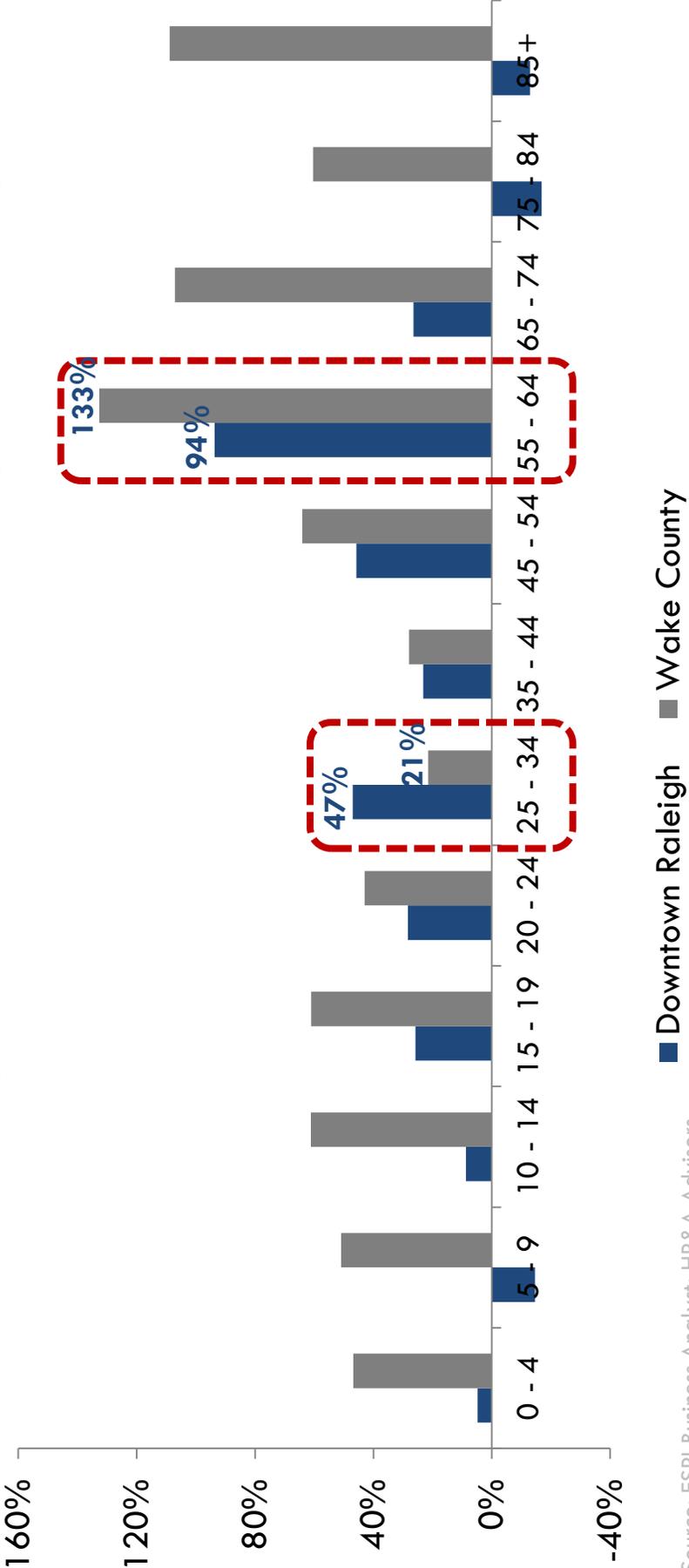
# Residential Market Review

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# Population Growth: Downtown Raleigh Compared to Wake County, 2000-2013

Although Downtown Raleigh has enjoyed significant population growth since 2000, in general it has grown more slowly than Wake County. Only amongst one cohort—the **25- to 34-year-old cohort of young professionals**—did Downtown’s rate of growth exceed Wake County’s. While Downtown’s **empty nester population (55- to 64-year-old cohort)** did not grow as fast as the County’s, that it nearly doubled attests to the importance of the cohort as a key target market.

**2000-2013 Population Growth Rate: Downtown Raleigh vs. Wake County**

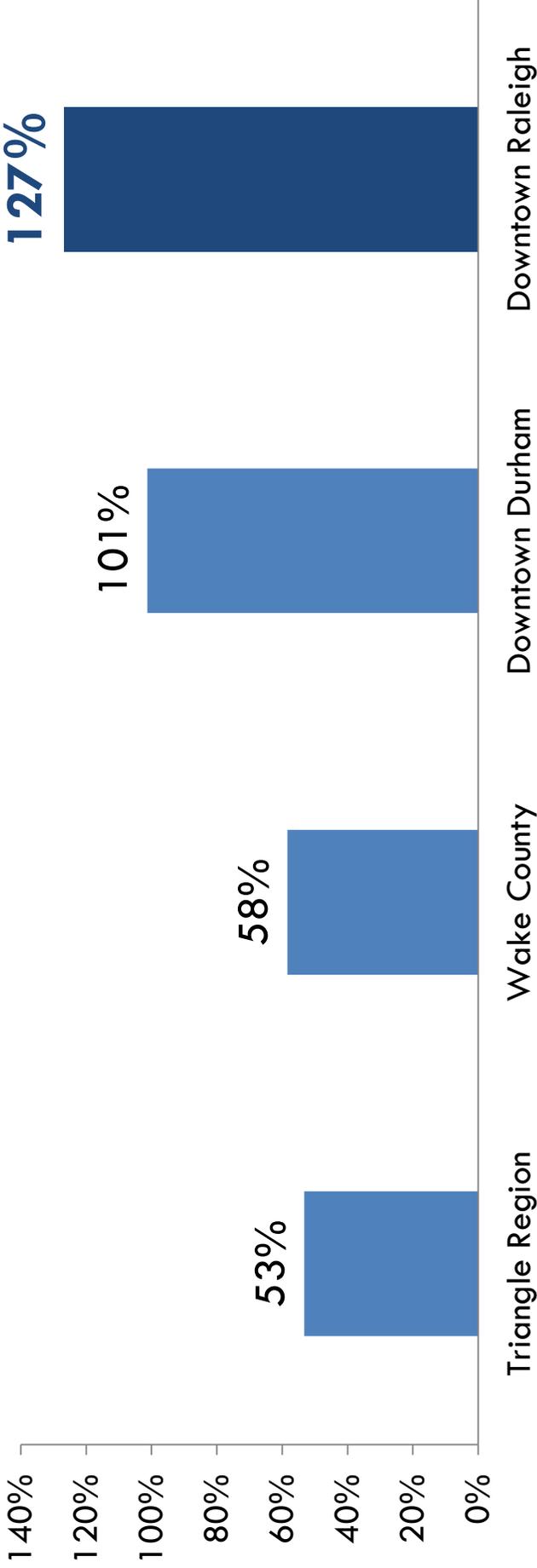


Source: ESRI Business Analyst; HR&A Advisors

# Projected Downtown Residential Growth Compared to Region (Percentage), 2010-2030

In line with national trends towards urban living, Downtown Raleigh is positioned to accommodate significant residential growth going forward. CAMPO projects that over the next two decades **Downtown Raleigh will grow more than twice as fast** as the region and Wake County, and faster than other urban places like Downtown Durham.

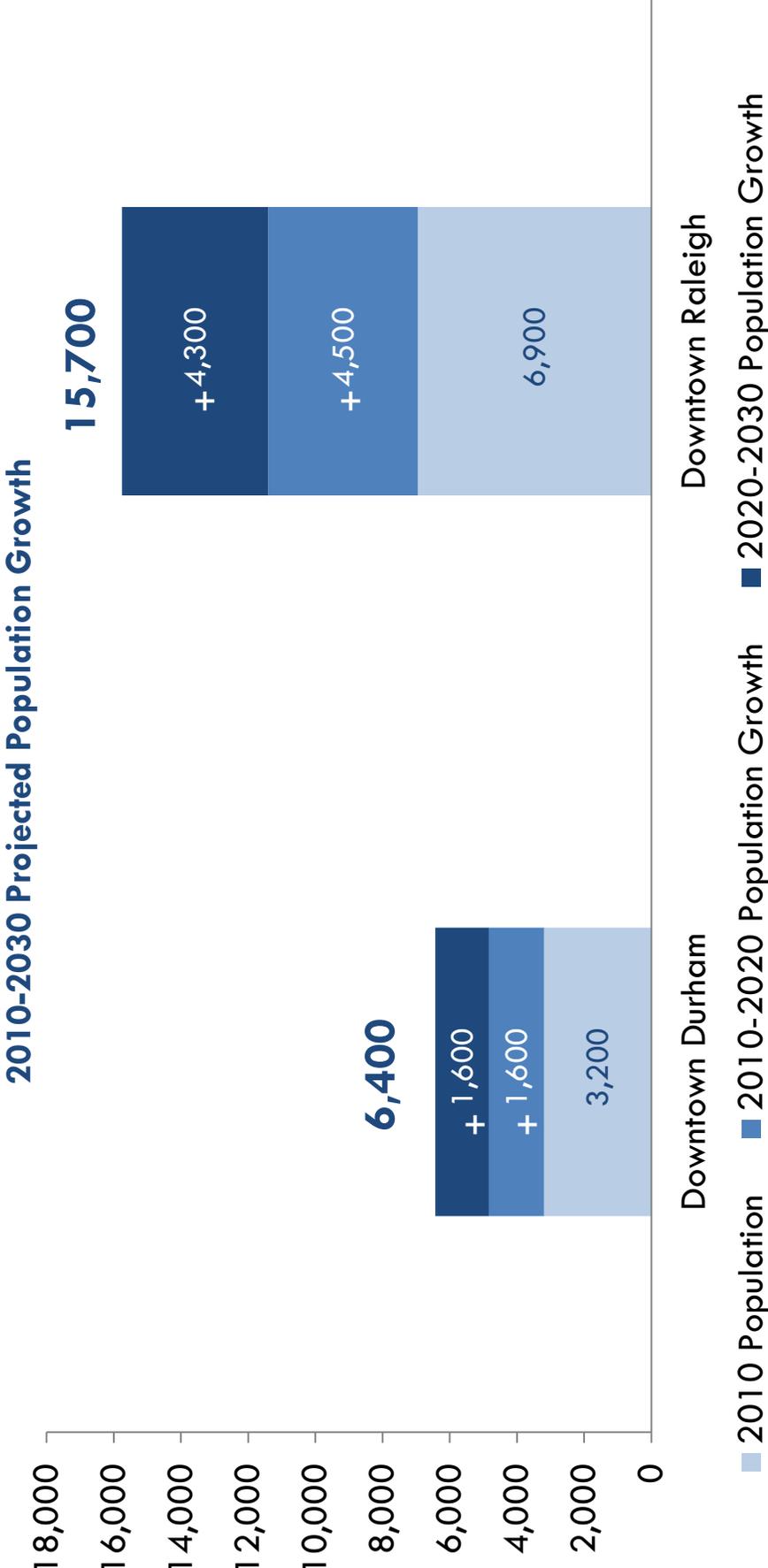
2010-2030 Projected Population Growth Rate



Source: CAMPO; HR&A Advisors

# Projected Downtown Residential Growth Compared to Region (Absolute), 2010-2030

By 2030, CAMPO projects that Downtown Raleigh's population will increase by about 9,000 residents to nearly 16,000. Downtown contained 0.4% of the region's population in 2010 but is **expected to capture 1.0% of the region's growth** between 2010 and 2030.



Source: CAMPO; HR&A Advisors

# Recent Downtown Residential Deliveries

Recent Downtown residential projects report extremely low vacancies and are achieving high price points, attesting to the Downtown Raleigh’s market strength.



### St. Mary’s Square, Glenwood South

In Glenwood South, the new complex consists of four floors of 146 luxury apartments and live/work units, plus parking.

Amenities: fitness center, high ceilings, custom cabinetry

Vacancy: Extremely limited  
Rent per SF: Up to \$2.20



### SkyHouse Raleigh, Moore Square

The development, comprised of 320 luxury 1-, 2-, and 3-bedroom apartments occupying 23 floors, is slated for completion this year.

Amenities: retail (5,400 SF), rooftop pool, views

Vacancy: N/A  
Rent per SF: \$2.08



### 712 Tucker, Glenwood South

The development, marketing itself as “luxury loft apartment living,” includes townhouses, studios, lofts, and 1- to 2-bedroom apartments (179 units).

Amenities: fitness center, pool, billiards room, business center,

Vacancy: Limited  
Rent per SF: Up to \$1.80

Source: Downtown Raleigh Alliance, St. Mary’s Square Apartments website, SkyHouse Raleigh website, 712 Tucker website, Flickr user James Willamor, LoopNet website

# Developer Perspective on Downtown Residential Market Trajectory and Issues

Developers active in Downtown Raleigh are **bullish on its long-term trajectory**, believing that nationwide trends towards re-urbanization are beginning to be fully realized locally. However, some worry about **short-term market saturation** due to the significant number of units in the Downtown pipeline.

Significant latent demand for Downtown residential locations

- The pipeline of young workers attracted by Downtown amenities remains strong, whether they work there or not.
- Empty nesters drawn by cultural amenities are also a key source of demand for Downtown living.

Amenitizing the Downtown is critical

- Pocket parks, temporary uses, and other “fun” interim solutions will enhance urban vibrancy and character.
- Interesting retail tenants will further build Downtown momentum and attract residents.

Opportunities to introduce undersupplied housing typologies

- Current development activity is primarily addressing Downtown’s undersupply of multifamily apartment product.
- Townhomes and stacked flats are largely missing in the market.

Ground-up development paramount as renovation opportunities diminish

- Most of the “low-hanging” renovation opportunities have been accomplished.
- The likely expiration of State Historic Tax Credits is also a challenge to further renovations.

# Scope of Residential Pipeline

With **2,543 units completed since 2013 or in the pipeline**, Downtown Raleigh is well on its way to meeting CAMPO’s 2030 growth projections. Assuming 1.75 residents per unit, these projects will add 4,450 residents, **accounting for 49% of total growth projected to 2030**. While these projects will likely face initial absorption challenges due to simultaneous deliveries, they will help solidify Downtown Raleigh as a live-work-play district. This development volume suggests that Downtown Raleigh is primed to surpass the 2030 growth projections under any “business as usual” development scenario.

Residential Project	Status	Units	Typology
St. Mary’s Square	Completed 2013	146	Mixed-use mid-rise apts
927 West Morgan	Completed 2013	249	Mixed-use mid-rise apts
Devon 425	Under Construction	250	Mixed-use midrise apts
SkyHouse Raleigh	Under Construction	320	Mixed-use high-rise apts
Blount St. Commons Apartments	Under Construction	213	Mid-rise apts
Peace Street Townes	Under Construction	17	Townhomes
The L	Under Construction	83	Mixed-use mid-rise apts
The Lincoln	Under Construction	224	Mid-rise apts
Link Apartments	Under Construction	203	Mid-rise apts
Blount St. Commons Townhomes	Planned	32	Townhomes
Edison Apartments	Planned	239	Mixed-use mid-rise apts
220 The Saint	Planned	18	Townhomes
The Gramercy	Planned	209	Mixed-use mid-rise apts
West Apartments	Planned	153	Mid-rise apts
West Apartments II	Planned	177	Mid-rise apts
The Ten at South Person	Planned	10	Townhomes

**395**

residential units completed in 2013

**2,148**

Residential pipeline of under construction and planned projects

Source: Downtown Raleigh Alliance; CAMPO

# Residential Pipeline Developments by District

All of Downtown’s Districts are projected to accommodate significant residential growth, but recent development patterns have favored certain areas over others. Residential development has focused on Glenwood South over the past decade, first with the wave of condo development in the 2000s and now with mid-rise apartment projects. With the completion of pipeline projects alone, **Glenwood South will surpass its projected 2030 population.** Nascent focal point **Moore Square will also surpass its projected 2030 population** with completion of pipeline projects like the high-density SkyHouse. However, other Downtown neighborhoods including **Seaboard / Person**, the **Capital District**, and **Warehouse District** all have significant unmet capacity remaining.



	2010 Population	2030 Population Projection	Completed/ Pipeline Units (2010-present)	Population of Completed/ Pipeline Units (2010-present)	Residential Unit Potential Remaining
Seaboard / Person	1,400	2,500	0	0	1,100
Capital	250	2,100	262	460	1,390
Warehouse	1,900	4,100	249	440	1,760
Fayetteville St.	1,150	1,900	83	150	600
Moore Square	1,300	2,350	793	1,390	0
Glenwood South	900	2,750	1,156	2,020	0

Source: CAMPO; HR&A Advisors

# Catalyzing the Next Decade of Downtown’s Residential Growth

By offering a differentiated urban living environment in a primarily suburban region, Downtown Raleigh is evolving into an environment that helps the Triangle Region compete for innovative workers. The key question becomes: *what targeted, district-specific interventions could help Downtown Raleigh accelerate its impressive residential growth and meet its full potential as a live-work-play neighborhood?* Different interventions and strategies will be appropriate in Districts that have experienced significant residential development activity (Glenwood South, Moore Square) versus those that have not (Seaboard / Person, Capital, Warehouse).

<p><b>Glenwood South</b></p> <ul style="list-style-type: none"> <li>Streetscape improvements to Downtown connection</li> </ul>	<p><b>Seaboard / Person</b></p> <ul style="list-style-type: none"> <li>Devereux Meadows &amp; Pigeon House Branch Restoration</li> <li>Improve Peace Street</li> </ul>
<p><b>Warehouse District</b></p> <ul style="list-style-type: none"> <li>Actively plan for mixed-use residential</li> <li>Improve access across Dawson Street</li> </ul>	<p><b>Capital District</b></p> <ul style="list-style-type: none"> <li>Consolidate State parking</li> <li>Activate Halifax Mall</li> </ul>
<p><b>Fayetteville St.</b></p> <ul style="list-style-type: none"> <li>Incorporate residential into development of City-owned sites</li> </ul>	<p><b>Moore Square</b></p> <ul style="list-style-type: none"> <li>Implement Moore Square redesign</li> <li>Redevelop Moore Square Transit Station site</li> </ul>

Source: HR&A Advisors

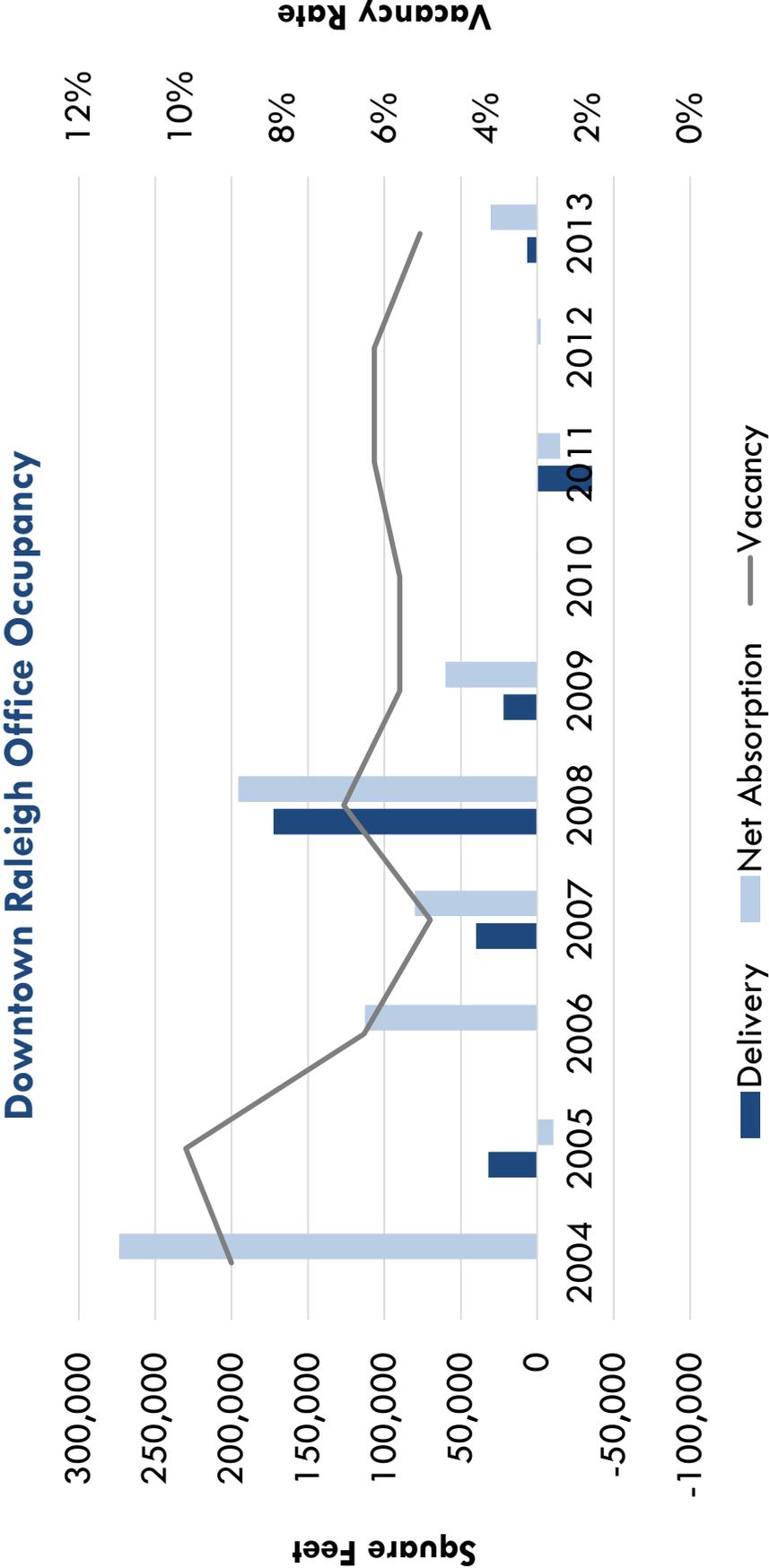
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# Office Market Review

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# Downtown Raleigh Office Vacancy

Downtown office vacancy fell to 5.3% in 2013, just half the vacancy rate in 2005 of 9.9%. According to Jones Lang LaSalle, Downtown Raleigh's vacancy rate was much lower than that of the region overall, but higher than Downtown Durham's.

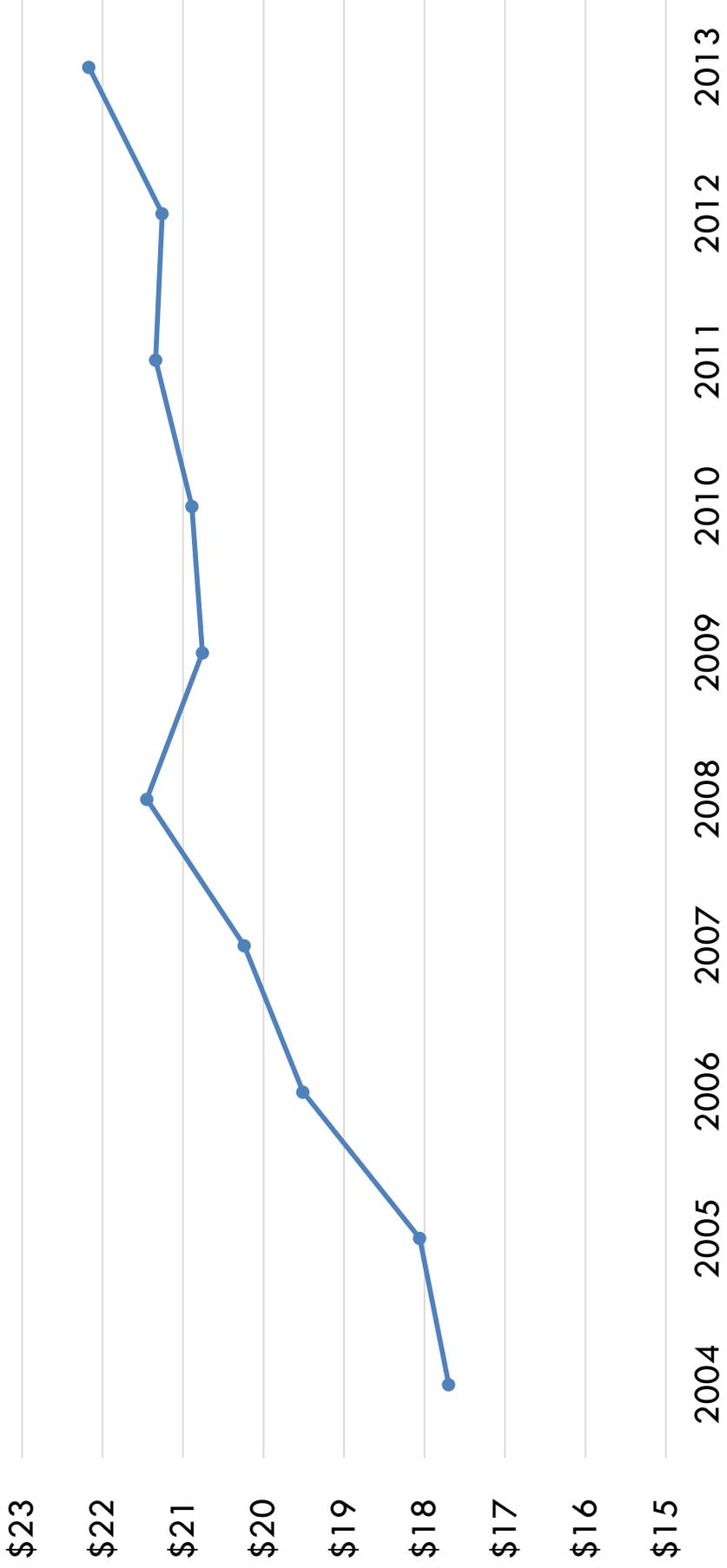


Source: Karnes; HR&A Advisors

## Downtown Raleigh Office Rent

Downtown Raleigh’s weighted average rent increased in 2013 to \$22, surpassing 2008 levels for the first time. According to Jones Lang LaSalle, Downtown Raleigh’s rents are slightly higher than Downtown Durham’s, and about ten percent higher than the region-wide average.

**Downtown Raleigh Office Average Rental Rate**

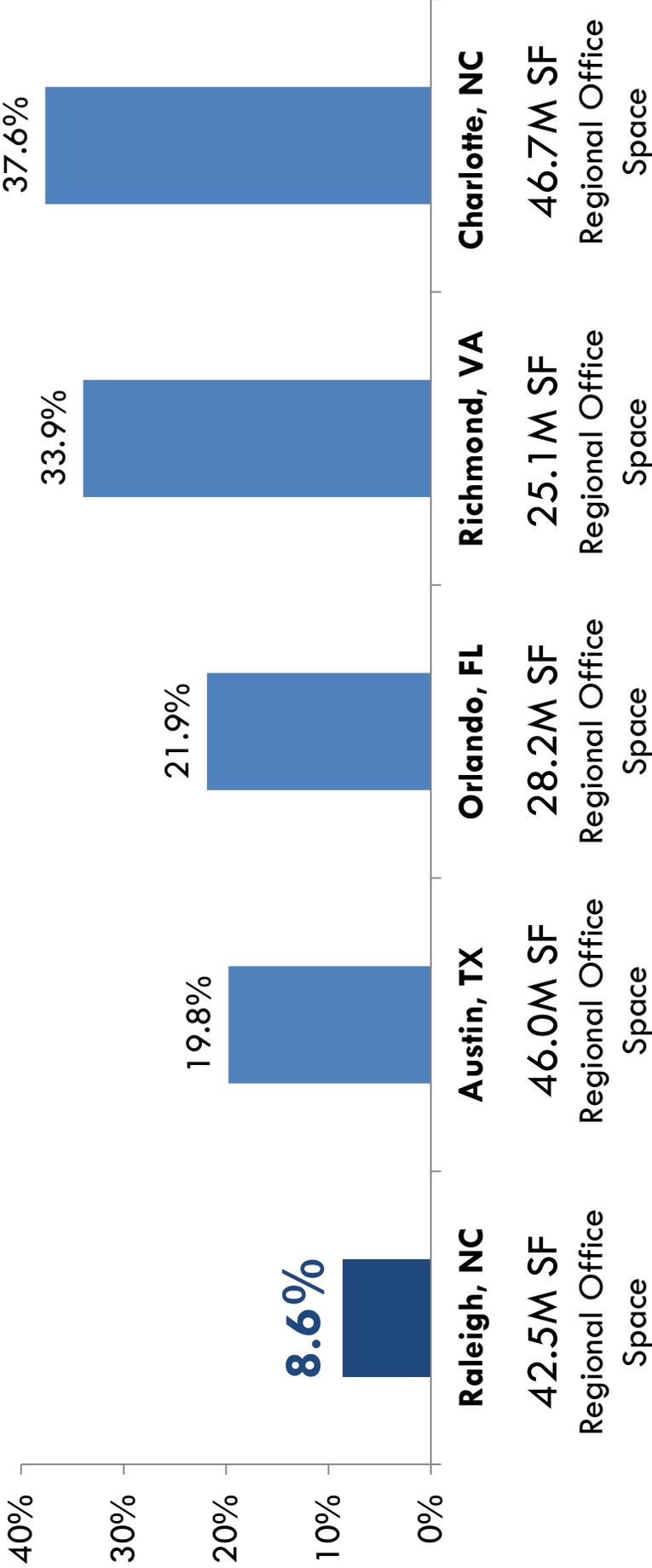


Source: Kames; HR&A Advisors

## Downtown Office Market Share Comparison

Downtown Raleigh represents a much lower share of its regional office market in comparison to other southern cities, according to Jones Lang LaSalle. Future Downtown Raleigh office development will have to overcome Downtown’s traditionally low capture rate of development in a modestly-sized regional market.

**Proportion of Regional Office Space Located Downtown**

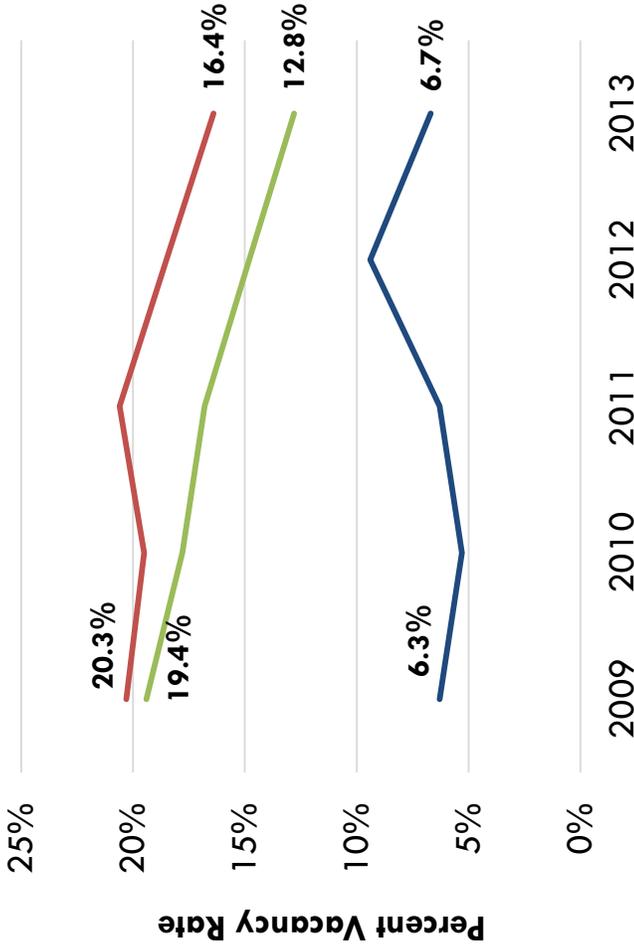


Source: Jones Lang LaSalle; HR&A Advisors

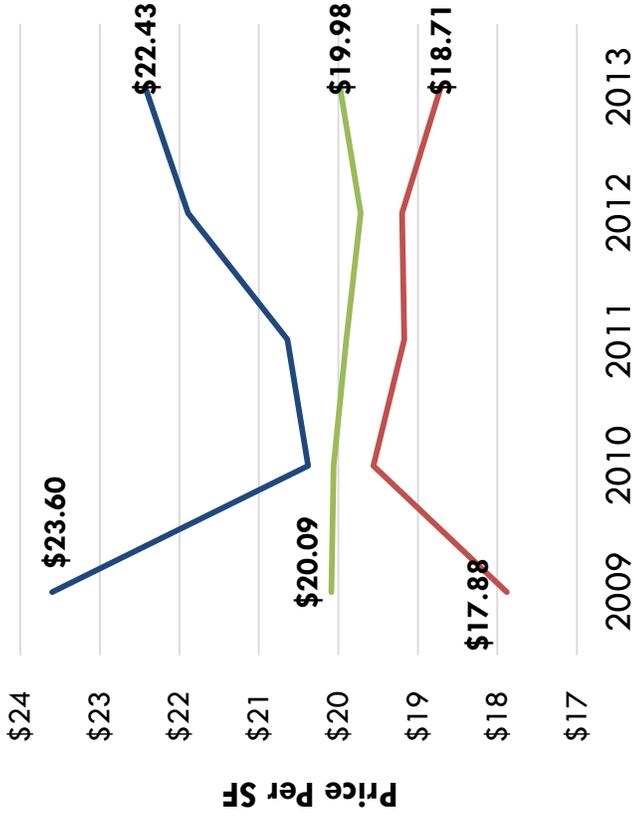
## Downtown Raleigh Office Performance Compared to Region

The convenience of parking and amenities are draws for suburban locations, but the **millennial attraction to Downtown** can help overcome Downtown’s historical performance. Downtown Raleigh’s office occupancy has outperformed the region and the Research Triangle Park for the past five years, with **single-digit vacancy rates**. Moreover, Downtown rents have improved post-recession – with **more than a \$2-per-SF increase** – whereas rents are flat in RTP and the region overall since 2010. These trends suggest an increasing premium in the Triangle for urban locations that meet evolving worker preferences.

### Office Vacancy



### Average Asking Rent

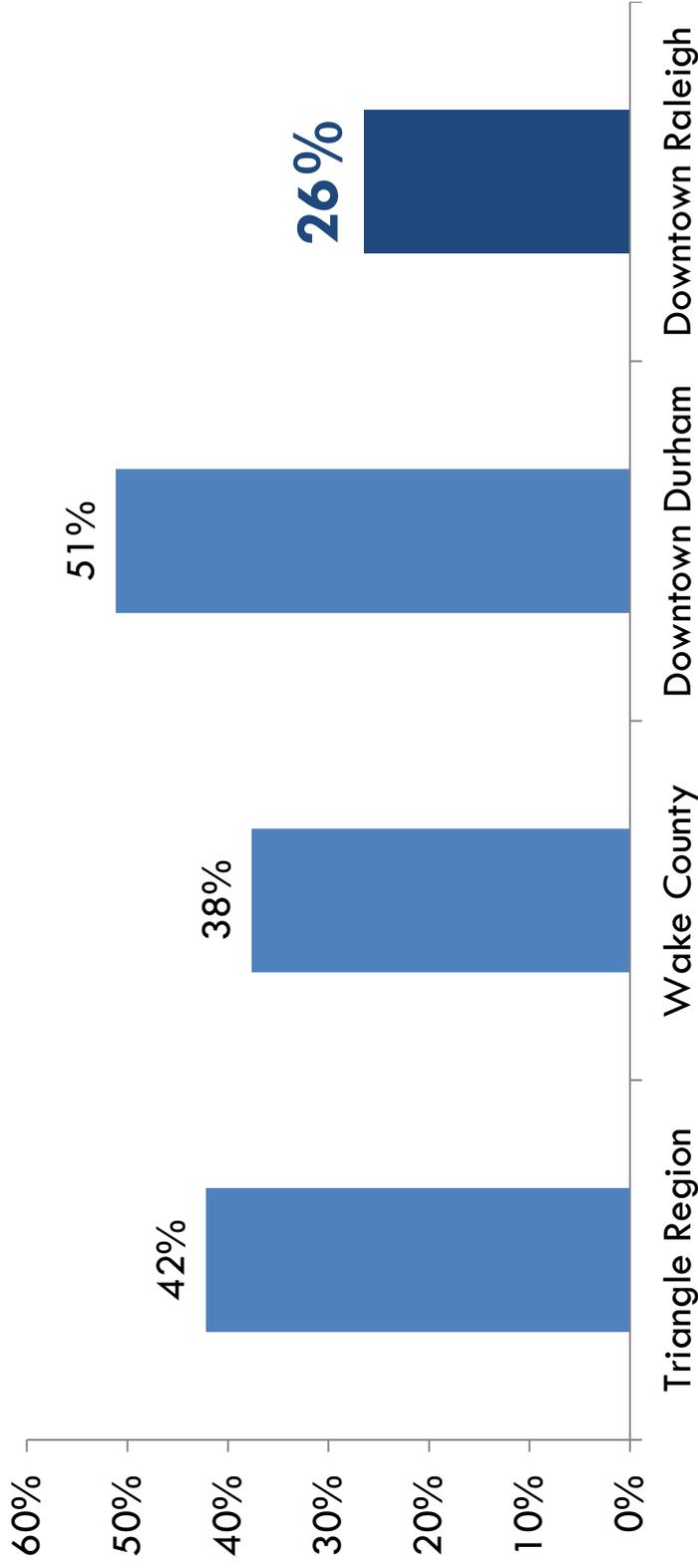


Source: Jones Lang LaSalle Q4 Raleigh-Durham Office Statistics. Figures vary among sources for 2013 Downtown vacancy rates within the 5%-6% range.

## Projected Downtown Employment Growth Compared to Region (Percentage), 2010-2030

Yet through 2030, CAMPO projects employment in Downtown Raleigh will grow more slowly than employment in the region as a whole. If CAMPO's growth projections are borne out, Downtown Raleigh's share of regional employment would shrink from 7.4% to 6.6% of regional employment.

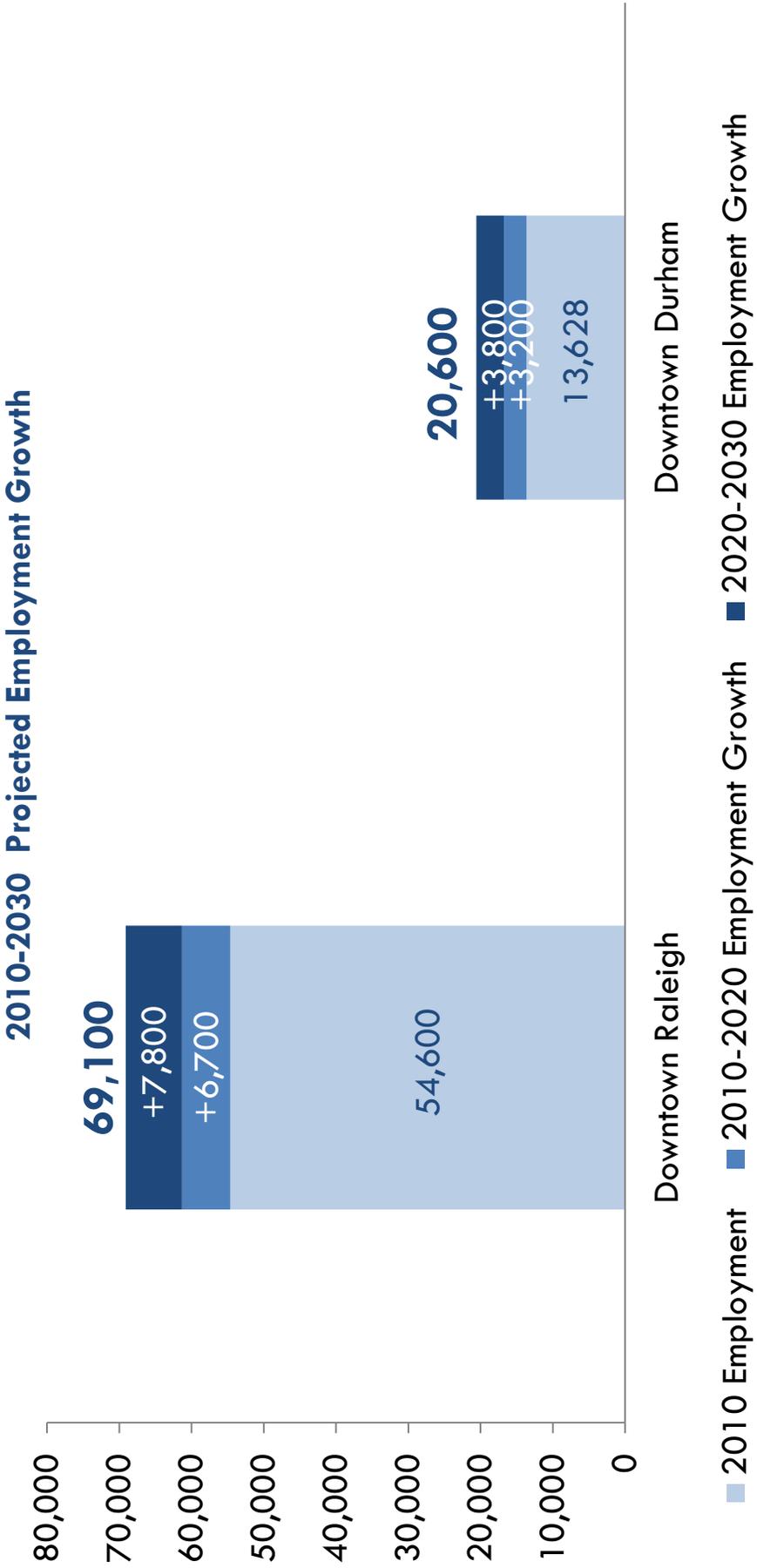
2010-2030 Projected Employment Growth Rate



Source: CAMPO; HR&A Advisors

# Projected Downtown Employment Growth Compared to Region (Absolute), 2010-2030

Despite its lower growth rate, CAMPO projects that through 2030 Downtown Raleigh will **attract a significant number of employees in absolute numbers**. Downtown is projected to **add 15,000 employees (55,000 to 70,000)**, including **11,500 office and service employees**, between 2010 and 2030. By comparison, Downtown Raleigh is projected to add more than three times as many jobs as Downtown Durham.



Source: CAMPO; HR&A Advisors

# Recent and Pipeline Downtown Office Deliveries

Following in the footsteps of the pre-recession PNC Plaza, pipeline build-to-suit and speculative development will enhance Downtown’s office base.



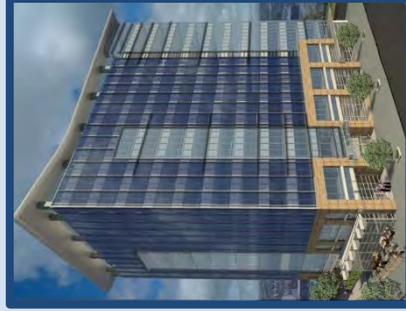
## PNC Plaza, Fayetteville Street

Completed in 2008, the \$135M, 33-floor, mixed-use project includes 12 floors for office tenants, ground floor retail, a bank, parking, and 11 floors of Plaza Condominiums. Residential amenities include a pool, fitness center, and reserved parking.



## Citrix Systems, Warehouse District

The project will open in summer 2014. Citrix will hire more than 500 new employees over the next four years, more than doubling its current local workforce. Citrix hopes to include a rooftop garden, yoga studio, and dining options for its employees on the premises.



## Charter Square, Fayetteville Street

The \$54M, 11-story, 240K-SF development will feature Class-A offices, 28K of retail spaces, a restaurant, and over 600 underground parking spots. The building’s prime location grants it direct underground access to the Raleigh Convention Center and the Raleigh Marriott City Center hotel, as well as proximity to the Duke Energy Center for the Performing Arts.

# Developer Perspective on Downtown Office Market Trajectory and Issues

The Downtown development community is anxiously awaiting the delivery of Charter Square (less than 50% pre-leased) to see how **speculative office product performs in current conditions** before bringing additional product to the market.

Office demand primarily derives from local companies

- Expansions and relocations of tenants already in the region have fueled recent demand for both speculative (Charter Square) and build-to-suit opportunities like Citrix's new facility.

Market improving, but risk remains

- 2013 uptick in Downtown rents and occupancy is positive indicator, but in relatively small regional market is insufficient to stimulate additional building activity.

Amenitizing the Downtown important for employers

- The Triangle Region offers a significant quantity of accessible suburban office space with free parking.
- To overcome the costs and nuisance of Downtown parking, urban amenities (streetscape, retail) must be accentuated.

# Scope of Office Pipeline

About 990,000 SF of new commercial office space has been completed in Downtown Raleigh since 2010 or is in the pipeline. Assuming 200 SF per employee, these projects will accommodate approximately 4,950 employees in Downtown Raleigh, accounting for 43% of total service and office employment growth projected by 2030. There is little demand for a much faster pace of office development in Downtown Raleigh given current economic conditions, the relatively small size of the regional market, and strong suburban competition.

Commercial Project	Status	SF	Typology
AIA NC Center for Architecture	Completed 2011	12,000	Low-rise meeting/office space
State Employees Credit Union	Completed 2013	249,500	Hi-rise offices, retail (credit union)
Citrix	Under Construction	166,000	Low-rise office building
Charter Square	Under Construction	243,379	Mixed-use mid-rise office building
Edison Office	Planned	315,000	Mixed-use mid-rise office building

**261,500**

SF office completed since 2010

**724,808**

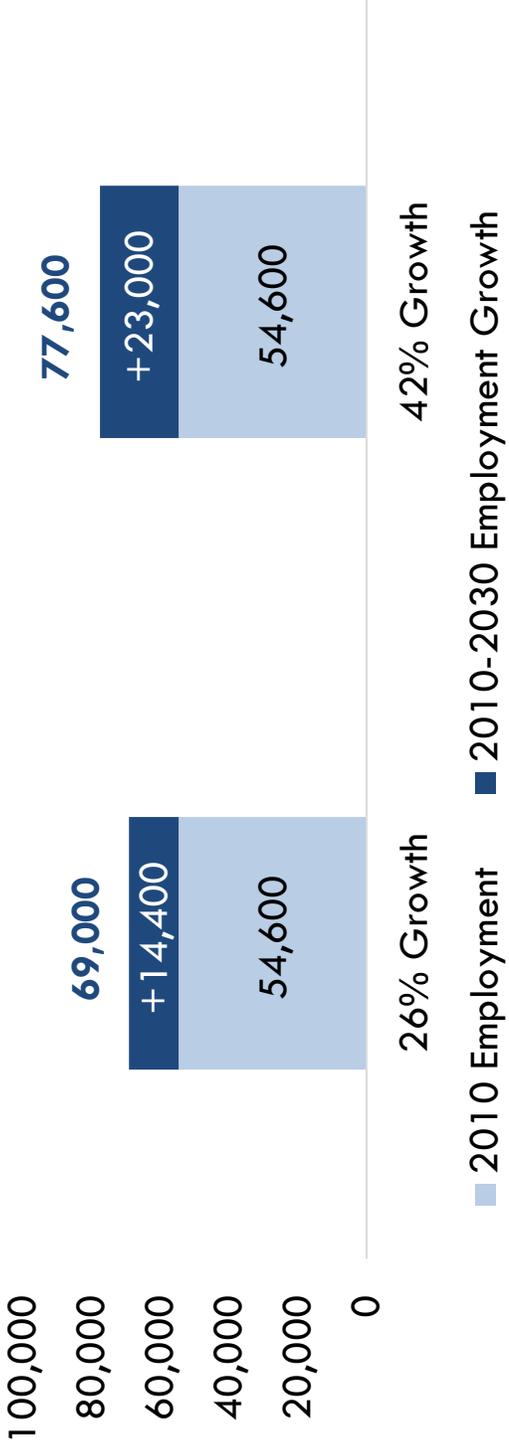
SF office pipeline

Source: Downtown Raleigh Alliance; CAMPO

# Downtown Raleigh Employment Under Different Growth Scenarios

In a competitive national context where innovative, high-growth tech companies are increasingly attracted to vibrant urban centers, **enhancing Downtown Raleigh as an employment center is a regional, not merely local, economic development strategy.** The **provision of urban amenities** that differentiate Downtown Raleigh will help it meet 2030 CAMPO projections. If Downtown Raleigh achieved the 26 percent employment growth projected by CAMPO between 2010 and 2030, it would add 14,400 workers by 2030. **A game-changing investment like light rail transit** could help Downtown Raleigh to capture a larger share of future regional office development activity over the next two decades. Were Downtown Raleigh to keep pace with the 2010-2030 growth rate CAMPO projects for the Triangle as a whole of 42 percent, Downtown Raleigh would attract **23,000 new workers**, a significant increment over baseline projections.

## 2010-2030 Downtown Raleigh Employment Growth Rate Forecast Scenarios



Source: CAMPO; HR&A Advisors

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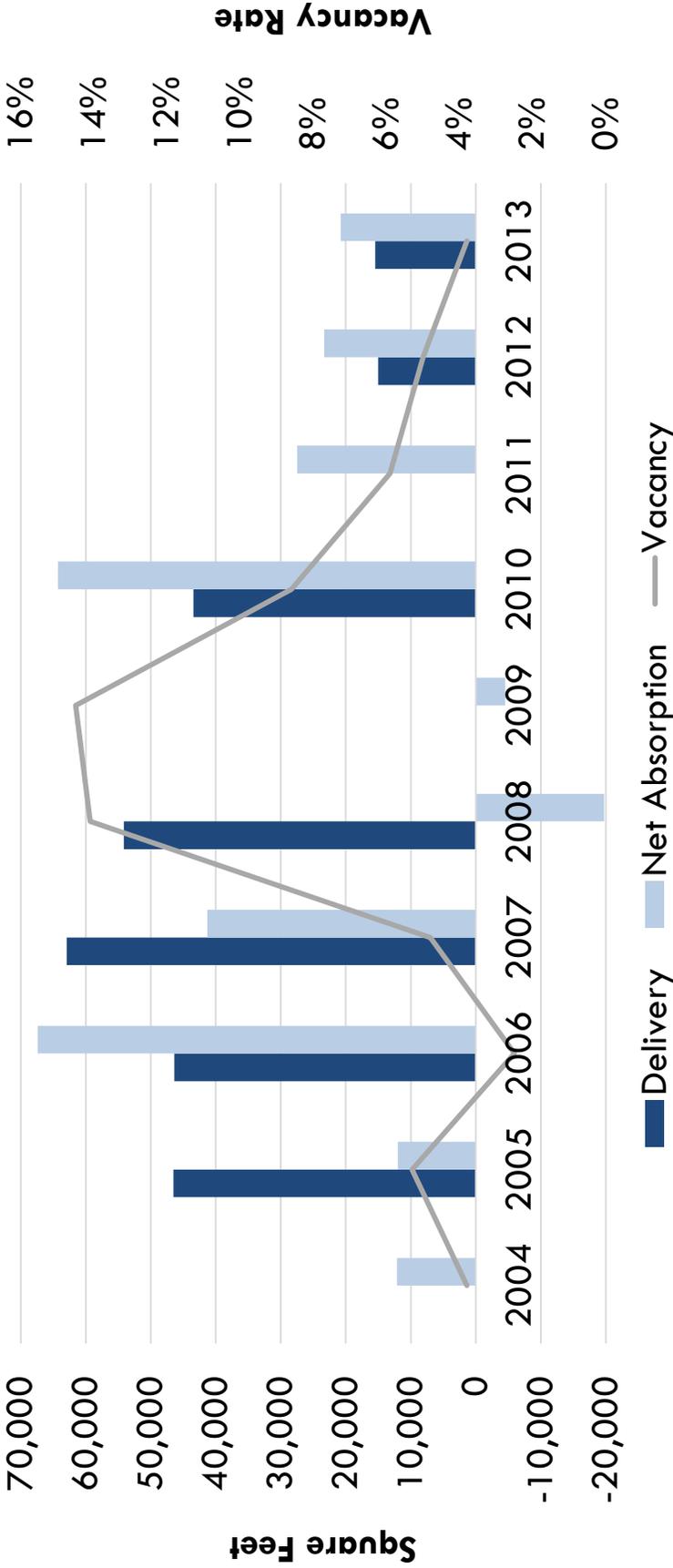
# Retail Market Review

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## Downtown Raleigh Retail Vacancy

The Downtown retail market has performed well coming out of the Great Recession. Downtown has experienced **4 years of positive net absorption**, cutting the **vacancy rate for large-format space from 14.5% to a very tight 3.8%**. Delivery of new retail space has yet to return to pre-2008 levels, facilitating absorption of existing spaces. **Thirty-two new street-level retail businesses opened downtown in 2013.**

**Downtown Raleigh Retail Occupancy**



Source: Karnes; HR&A Advisors, Note: Karnes retail data only includes spaces 15,000 SF and larger, and also includes spaces outside the Downtown Planning area.

## Downtown Raleigh Retail Rent

Recent analysis by the Downtown Raleigh Alliance demonstrates that the **current asking rent for spaces within Downtown Raleigh proper is \$18 PSF**. Available spaces typically range in size between 1,000-4,000 square feet (averaging approximately 3,000 square feet), and can accommodate the sort of small-format urban retail capable of enhancing Downtown's vitality. **Retail rents for large-format retail in the vicinity of Downtown Raleigh rapidly rebounded in 2012** (30% increase over 2011) after a recession-induced decline, and currently average \$28.20 PSF.

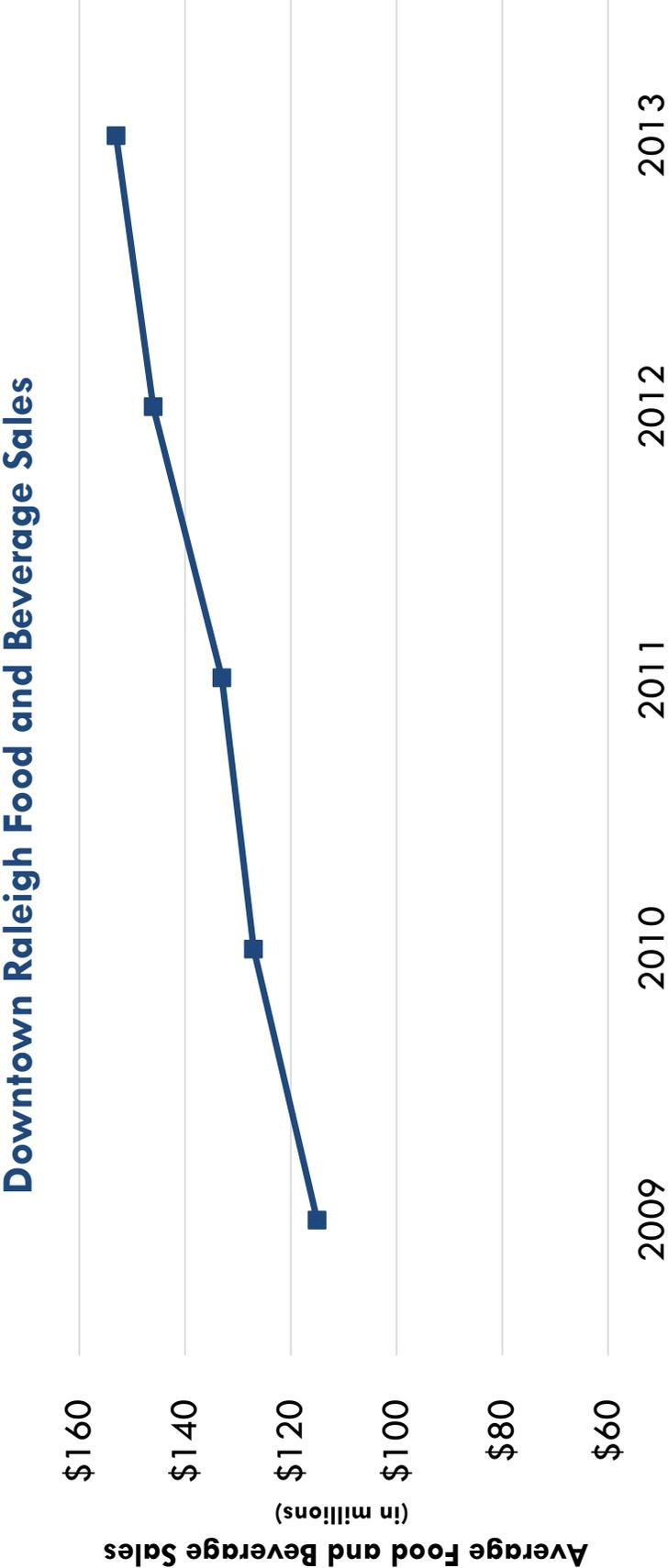
**Average Rental Rate for Greater Downtown Raleigh (Weighted)**



Source: Karnes; Downtown Raleigh Alliance; HR&A Advisors; Note: Karnes retail data only includes spaces 15,000 SF and larger.

## Downtown Raleigh Restaurant and Nightlife Economy

Downtown Raleigh dining and nightlife exhibited steady growth during the recession, with food and beverage sales **increasing at an annual rate of 7.4%** between 2009 and 2013. Downtown Raleigh currently contains **more than 170 restaurants**, contributing to strong nighttime pedestrian activity, particularly in the Glenwood South neighborhood.



Source: Wake County Revenue Department; HR&A Advisors

# Stakeholder Perspective on Downtown Retail Market Trajectory and Issues

Stakeholders believe that Downtown Raleigh’s restaurant scene has come a long way in the past decade, and now the **focus should be on cultivating more interesting retail businesses** that will amenitize the Downtown. The **significant increase in demand** that will accompany Downtown Raleigh’s nascent apartment boom will provide the opportunity to establish a stronger retail identity, but challenges remain.

Emergent local retailers provide base for the future

- Some newer local retailers like High Cotton and DECO Raleigh are establishing a strong presence.
- Owners can now afford to be “picky” in selecting tenants that complement the emerging vibe.

Challenges of market size and competition remain

- The nearby suburban-style Cameron Village Shopping Center draws significant demand out of the Downtown proper.
- Downtown likely does not have the population to support key retail amenities like an urban grocer – yet.

Property owners must buy-in to retail vision

- Downtown retail is in infancy, and must be supported by a coalition of flexible property owners.
- Cultivating an interesting retail environment ultimately supports higher rents for floors above.

Public sector assistance can further momentum

- The re-establishment of a revolving loan program for retail businesses could help budding retailers get over initial hurdles.
- City and DRA can facilitate merchant, property owner, and broker buy-in into retail strategy for Downtown.

# Downtown Raleigh Retail Demand

The resident and worker populations of Downtown Raleigh contain significant spending potential. Nearly 85% of the demand for shopping, food, and beverages comes from Downtown workers, who far outnumber Downtown residents. Combined, Downtown Raleigh residents and workers harbor spending potential of approximately **\$220 Million on retail, restaurants, and groceries.**



## 54,600 Workers



\$119 M in retail demand  
\$34 M in restaurant demand  
\$33 M in grocery demand  
**\$186 M total demand**  
(spending potential)



## 6,900 Residents

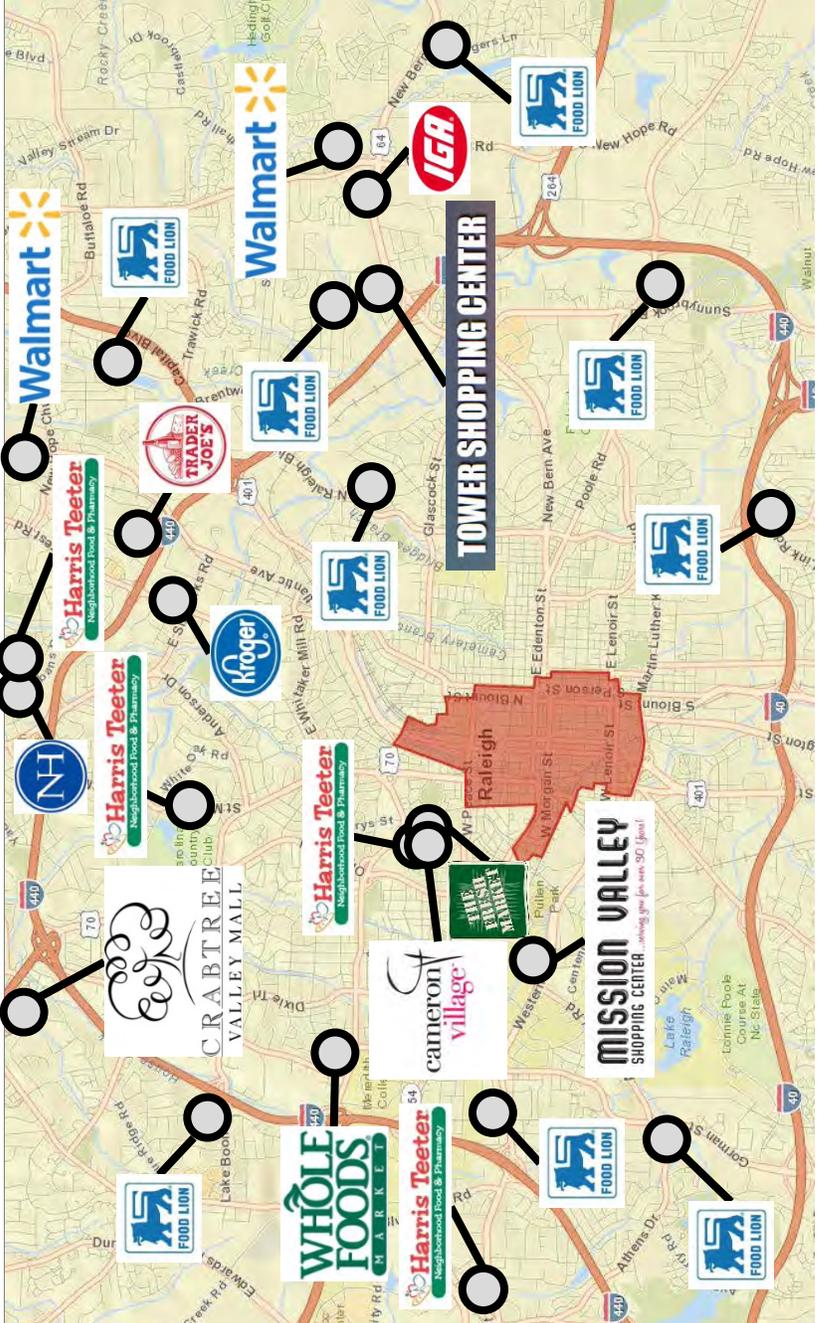


\$21 M in retail demand  
\$6 M in restaurant demand  
\$7 M in grocery demand  
**\$34 M total demand**  
(spending potential)

Source: ESRI Business Analyst; ICSC; HR&A Advisors

# Downtown Retail Market Surrounding Context

Total sales for retail, restaurants and groceries in Downtown Raleigh amount to \$120.2 Million. However, there are a large number of shopping centers and major grocery chains ringing Downtown Raleigh, which attract spending from Downtown residents and workers and help to explain the lack of current retail and grocery supply Downtown. For instance, Cameron Village, just west of the Downtown border, contains more than 100 retail stores in a suburban-style setting. Larger-format retail in Downtown Raleigh will face strong competition from these locations within an easy drive.



Source: HR&A Advisors

# Grocery Store Supply Analysis



The abundance of grocery stores within a short drive of Downtown Raleigh makes it difficult to attract a larger format urban grocer. In drivable cities like Raleigh, grocers consider wide trade areas when making investment decisions. A 2-mile ring around Downtown Raleigh includes The Fresh Market, Harris Teeter, and Food Lion.

**Given these supply and demand dynamics, incentives may be necessary to attract a Downtown grocery store (e.g. an RFQ for a City-owned site could require a grocery store, acknowledging the land offer will be lower).**

Source: ESRI Business Analyst; ICSC; HR&A Advisors

## Downtown Raleigh Retail Gap Analysis

Today, Downtown Raleigh’s restaurant and bar scene is a regional destination that generates sales that exceed the demand of local residents and workers. However, Downtown Raleigh is not a major shopping destination, and retail and grocery spending both have a significant retail gap, with **unmet spending potential of \$135 million**.

Given the surrounding competitive retail landscape compared to the Downtown Raleigh’s current context, HR&A applies conservative capture rates to the unmet spending potential for each retail category to determine the amount of new square footage that could be supported. HR&A estimates that unmet spending potential could support development of an additional **75,000 SF of retail and 25,000 SF of grocery in Downtown Raleigh**.

Retail Category	Total Current Potential	Total Current Sales	Current Unmet Spending Potential	Current Capture Rate	Current Capturable Spending Potential	Current Supportable Square Feet
<b>Retail</b>	\$140 M	\$40 M	\$100 M	20%	<b>\$20 M</b>	<b>75,000</b>
<b>Restaurant</b>	\$40 M	\$74 M	\$0	20%	\$0	0
<b>Grocery</b>	\$41 M	\$6 M	\$35 M	30%	<b>\$10 M</b>	<b>25,000</b>

Source: ESRI Business Analyst; ICSC; HR&A Advisors

## Projected Evolution of Downtown Raleigh Retail Gap Analysis

HR&A projects that after completion of pipeline projects, growth in demand from new residents and workers will outpace the amount of new retail supply delivered. Based on estimates from ESRI Business Analyst and the ICSC, HR&A estimates that each new resident will support \$4,900 of spending and each new worker will support \$3,500 of spending. Moreover, the introduction of pedestrian-friendly interventions will enable Downtown to capture a greater proportion of spending potential than is currently feasible. HR&A estimates that Downtown will be able to support an **additional 150,000 SF of retail and 50,000 SF of grocery**.

Assuming the current development pipeline is fully built out, Downtown Raleigh will have:

<b>4,450</b> More Residents	<b>4,950</b> More Workers	<b>154,000 SF</b> Additional Retail Space
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	Total Future Potential	Total Future Sales	Future Unmet Spending Potential	Future Capture Rate	Future Capturable Spending Potential	Future Supportable Square Feet
<b>Retail</b>	\$165 M	\$60 M	\$105 M	40%	<b>\$42 M</b>	<b>150,000</b>
<b>Restaurant</b>	\$47 M	\$96 M	\$0	40%	\$0	0
<b>Grocery</b>	\$49 M	\$8 M	\$40 M	50%	<b>\$20 M</b>	<b>50,000</b>

Source: ESRI Business Analyst; ICSC; HR&A Advisors

# Downtown Raleigh Retail Market Outlook

## 150,000 SF

Intermediate-Term Supportable  
Retail Development



## 50,000 SF

Intermediate-Term Supportable  
Grocery Development

There is considerable scope for Downtown Raleigh to retain more of the retail dollars that are leaking to other locations. There is also considerable impetus, as a competitive retail environment in Downtown Raleigh is a critical amenity that supports other uses, attracting new residents and workers. Key programs to promote retail development, such as a revolving loan fund, targeted tenant recruitment, and the incorporation of catalytic retail uses into City land dispositions, can be implemented to aid Downtown Raleigh in continuing its upward retail trajectory.

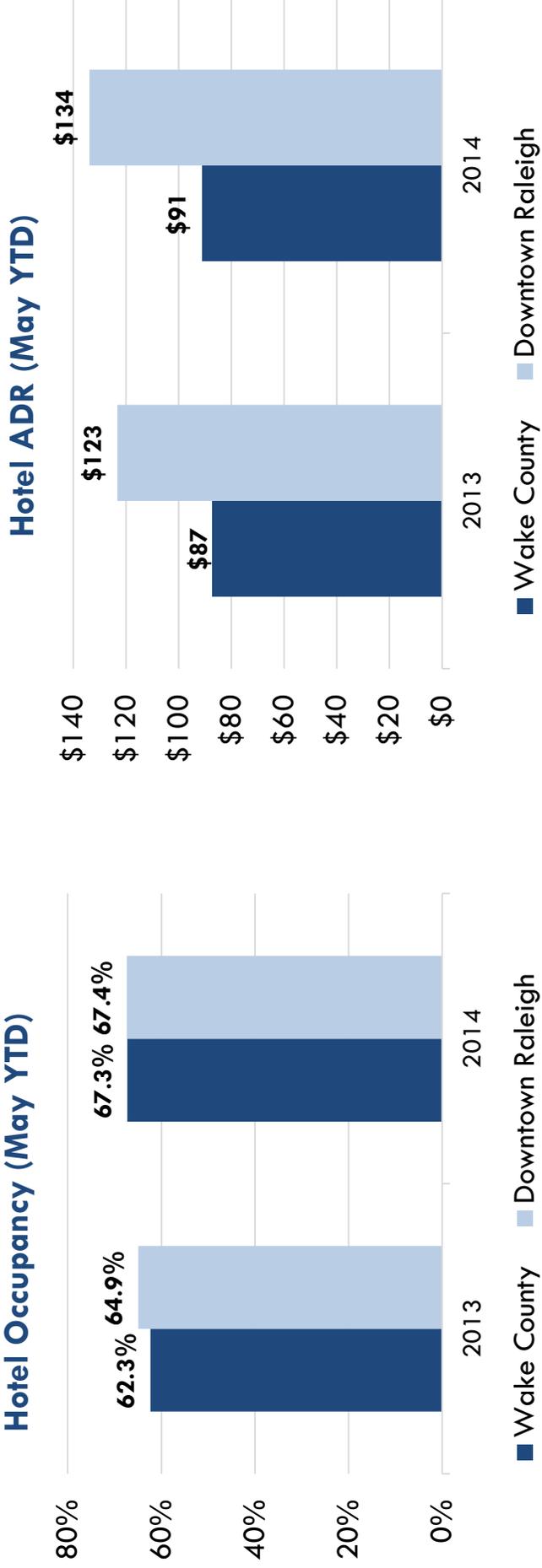
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# Hotel Market Review

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## Downtown Raleigh Hotel Market Review

Raleigh’s continued growth and economic success has contributed to a rising national profile and increased visitation. **3.2 million people** visited Downtown venues in 2013, **representing an increase of 40 percent over 2007 levels**. There is a prevailing opinion among many stakeholders that Downtown Raleigh is **under-hoteled**, and that a new hotel would benefit the convention business in particular. **Downtown has a much higher Average Daily Rate (ADR) than Wake County** and slightly higher occupancy rate. **Downtown’s ADR has risen 8.7 percent in the past year**, compared to 4.3 percent for Wake County.

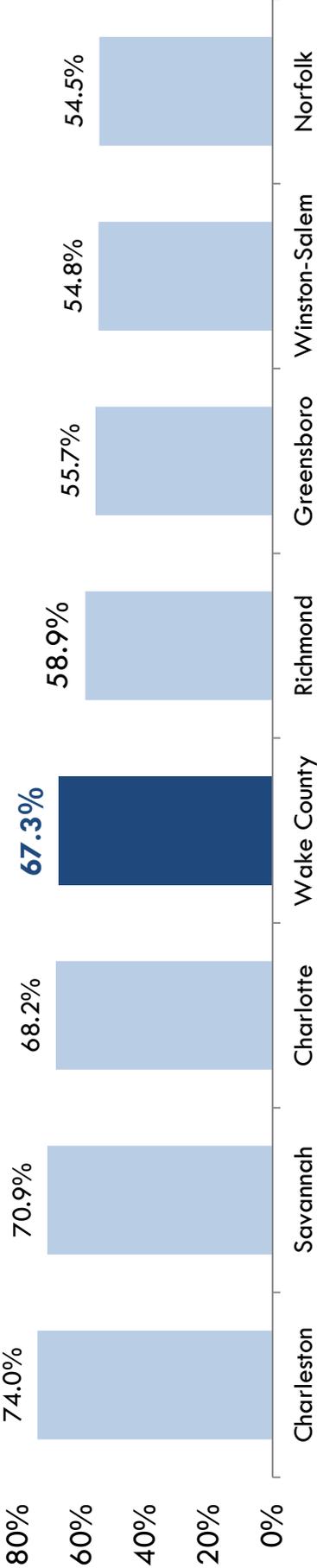


Source: Greater Raleigh Convention and Visitors Bureau; STR; HR&A Advisors

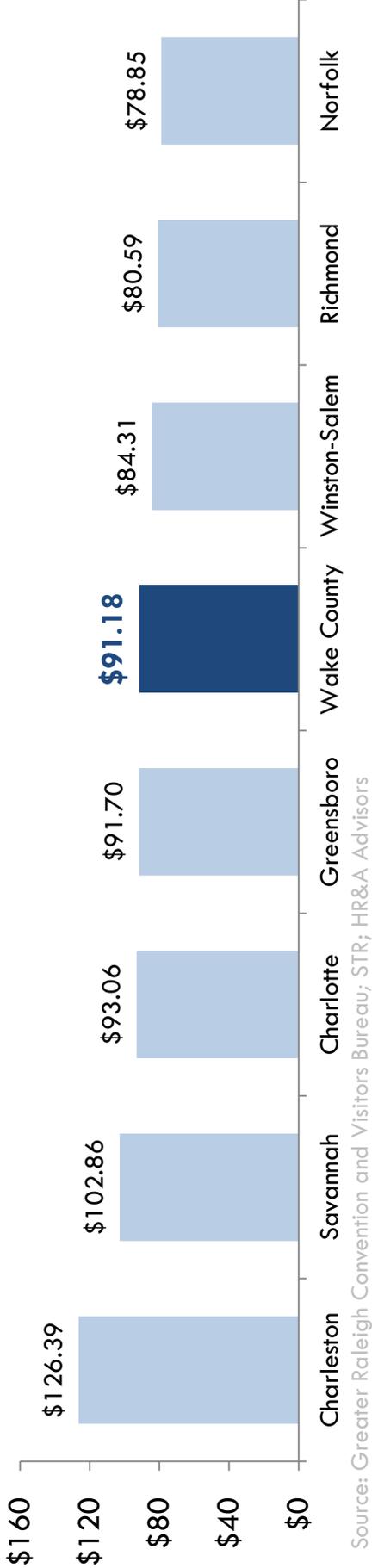
## Peer City Hotel Market Comparison

As a whole, Raleigh’s hotel market tends to perform better than smaller Southern cities, and comparably to Charlotte in both occupancy and ADR, but is not quite at the level of tourist destinations like Charleston, SC and Savannah, GA.

**2014 Hotel Occupancy (May YTD)**



**2014 Hotel ADR (May YTD)**



Source: Greater Raleigh Convention and Visitors Bureau; STR; HR&A Advisors

## Scope of Downtown Raleigh Hotel Pipeline

Three new hotels have either delivered or been planned since 2012, with Glenwood South and Fayetteville St. emerging as Downtown’s visitor base. The Residence Inn, located next to the Raleigh Convention Center will provide additional lodging to support its 500,000 SF of event space, while the Hilton Garden Inn is positioned to meet growing demand. The 280 rooms in these two properties will **increase Downtown’s hotel supply (currently 1,146 rooms) by 24%**.

Residential Project	Status	Rooms	District
Hampton Inn & Suites	Completed 2012	126	Glenwood South
Residence Inn by Marriott	Planned	150	Fayetteville St.
Hilton Garden Inn	Planned	130	Fayetteville St.



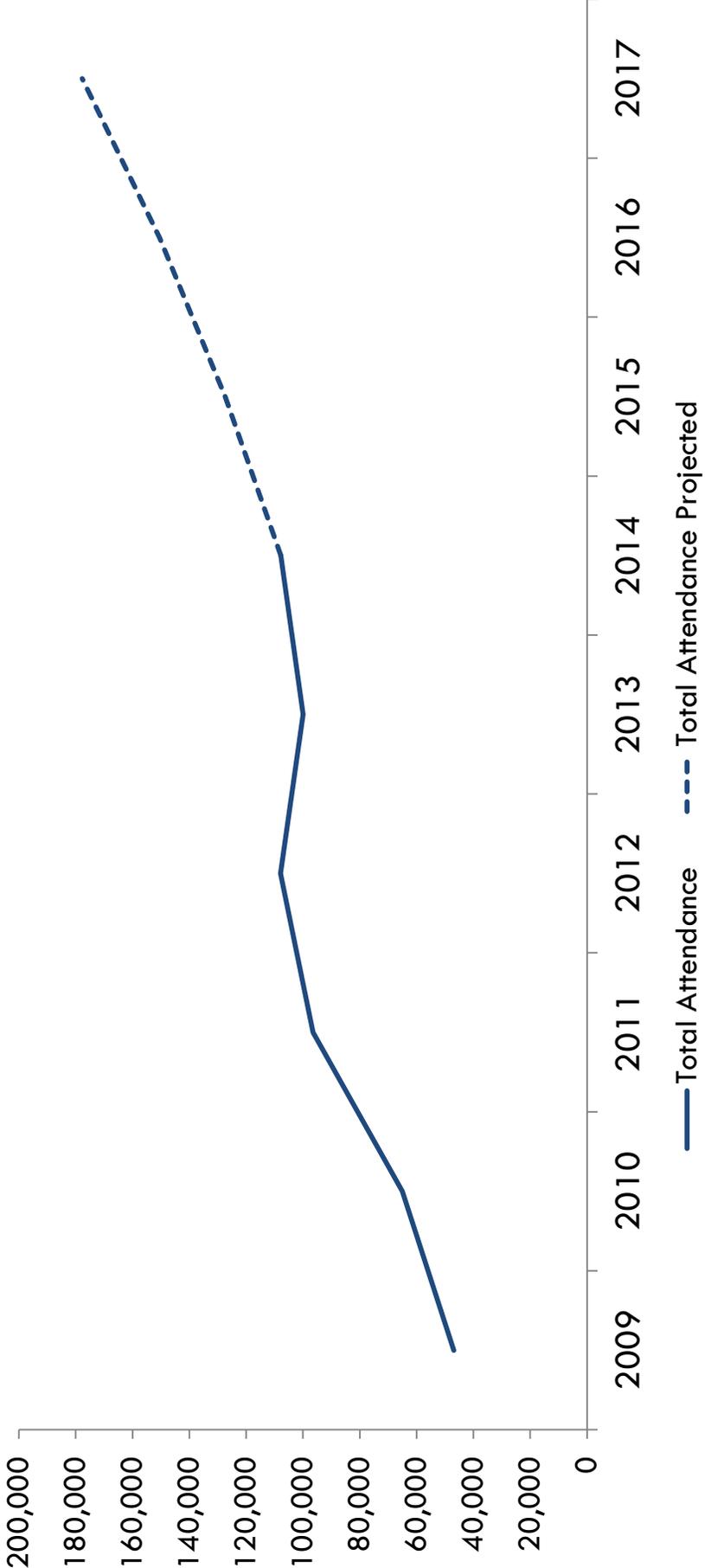
Hampton Inn & Suites

**406+**  
 New hotel rooms  
 completed or  
 planned  
 since 2012

Source: Downtown Raleigh Alliance; Flickr user James Willamor

# Demand for Convention Center

Raleigh’s Convention Center attendance has increased dramatically since the depths of the Recession, meriting a civic discussion of the need for and potential form of expansion of the existing facilities. Projecting attendance forward using its 2009-2014 growth rate of 18.1 percent suggests future demand of more than **175,000 Convention Center attendees by 2017**.



Source: Greater Raleigh Convention and Visitors Bureau; STR; HR&A Advisors

# Stakeholder Perspective on Downtown Hotel Market Trajectory and Issues

Stakeholders in the hospitality business perceive that Downtown Raleigh needs more hotel rooms to accommodate burgeoning demand, but disagreement exists on how to encourage the delivery of new supply. **The nature of the convention center’s expansion is a key decision** that will have a significant impact on the Downtown hotel market.

Continued market growth expected, but economics challenging

- Market is distinguished by regional tourism draw; rooms are filling up on weekends due to emerging cultural scene.
- Despite demand, the economics of development for large hotels is challenging Downtown.

Hospitality interests support the expansion of the Convention Center

- Opportunity perceived to move up to the next market tier with appropriate infrastructure.
- A 300-500 room hotel would ideally anchor the expansion, as the original headquarters hotel (The Marriott) is undersized.

Role of public sector intervention is debated

- Some stakeholders perceive public incentives are needed to procure a large, headquarters hotel.
- Others believe such assistance to a new operator is unfair to existing Downtown hotel operators.

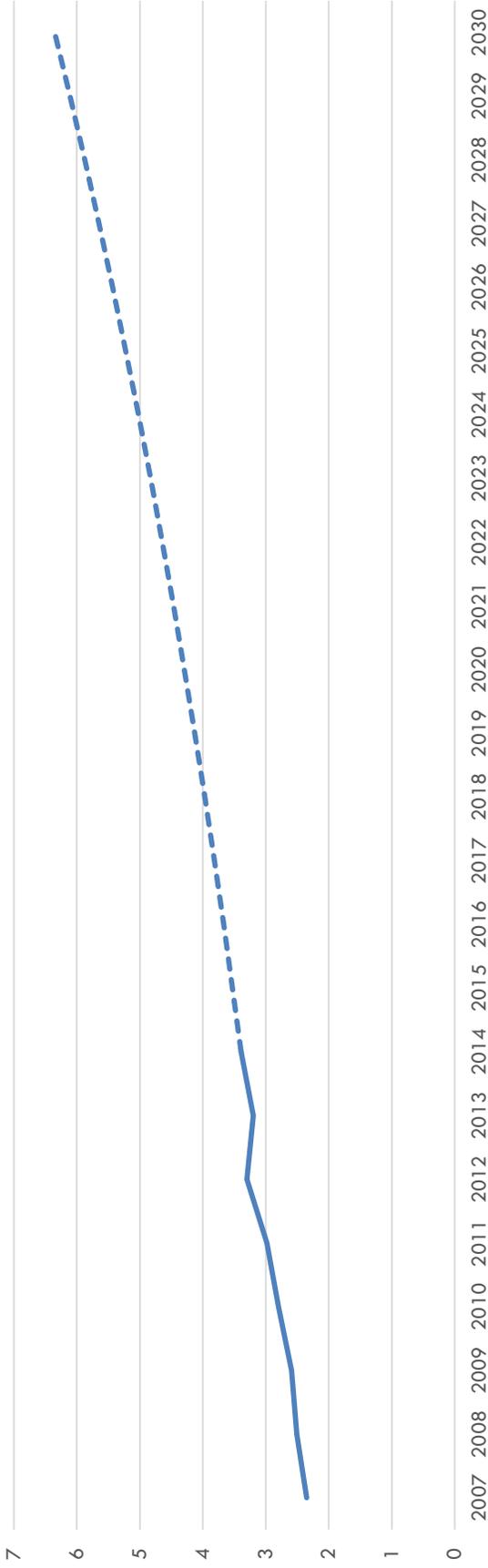
Opportunity to introduce hotels outside Fayetteville Street District

- Warehouse District eyed as potential location by stakeholders due to emerging cultural character.
- Important to support connections between these districts and Downtown to enhance their attractiveness for development.

# Downtown Raleigh Hotel Market Outlook

Visitation to key Downtown attractions grew at an annual rate of **5.4% between 2007 and 2014**. Even if visitation continued to grow at a slightly slower rate of only 4%, as shown below, Downtown Raleigh would still be on track to **double its tourism base by 2030** and would need to significantly increase its stock of hotel rooms in order to meet this demand. To accommodate this demand with a diversified base of hotels, one strategy is to introduce supply beyond the traditional hotel base near Fayetteville Street. Stakeholders view the Warehouse District, with its proximity to entertainment amenities, as a logical neighborhood for hotel expansion. Developing larger new hotels on remaining City-owned parcels, potentially supported through incentives, is critical to supporting the City’s tourism and convention-fueled economic development.

**Visitors: Historical and Projected (Millions)**



Source: Greater Raleigh Convention and Visitors Bureau; HR&A Advisors

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# Conclusions

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# Conclusions

Downtown Raleigh is poised for significant new development across multiple asset classes. Trends towards urban living and strong market demand can be leveraged through strategic public interventions to shape the future of the Triangle’s premier urban center. The following interventions have the potential to boost the entire region’s economic competitiveness.

- Residential**
  - Promote denser development in areas highly suitable to continued growth.
  - In areas with less growth, catalytic interventions may be necessary to incite new development.
- Office**
  - Prioritize amenities that capitalize on and accentuate the downtown location.
  - Promote light rail transportation as key driver of new demand.
- Retail**
  - Create active streetscapes that enhance Downtown Raleigh’s quality of place.
  - Target catalytic retailers and provide public incentives for a downtown grocery store.
- Hotel**
  - Facilitate the development of a hotel outside the Fayetteville Street core (potentially in the Warehouse District).
  - Provide incentives to facilitate the development of Headquarters hotels.

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## Potential Interventions

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### Potential Big and Small Plan Interventions

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- Facilitate construction of hotels to accommodate market demand
  - Plan for significant residential population growth
  - Improve pedestrian access between districts and Downtown
  - Cultivate Downtown retail environment through streetscaping improvements
  - Introduce more temporary programming
  - Consider models for Convention Center growth
  - Incorporate catalytic uses into dispositions of City-owned land
  - Introduce more public open space amenities
  - Regulatory reform to facilitate development process
  - Construct more permanent infrastructure for R Line
  - Improve Downtown lighting
  - Proactively assemble sites for mixed-use development
-



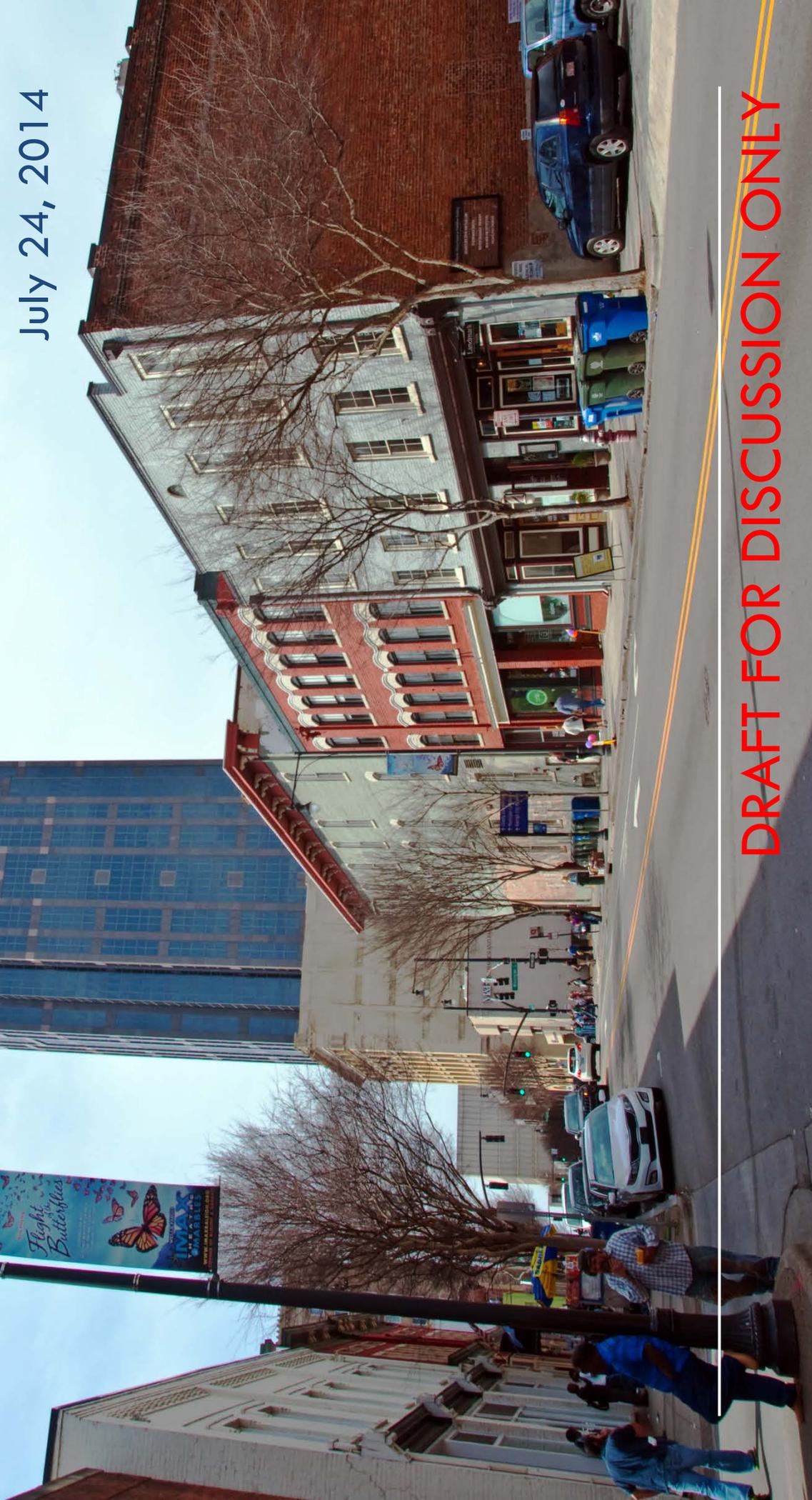
Analyze. Advise. Act.

# Downtown Plan

## City of Raleigh, North Carolina

### Real Estate Market Review

July 24, 2014



DRAFT FOR DISCUSSION ONLY

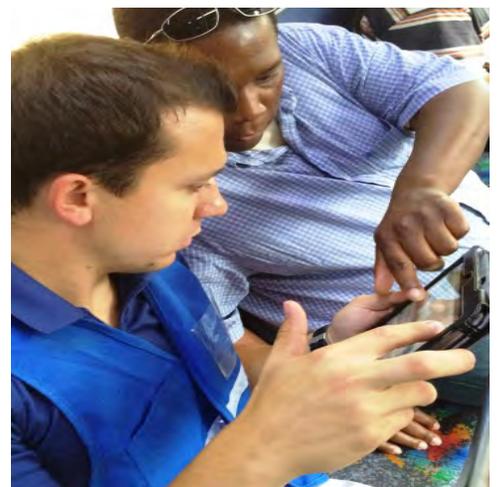
# APPENDIX B

## R-Line and CAT Service

Downtown Raleigh is served by Capital Area Transit (CAT), Triangle Transit Authority (TTA) and the free downtown circulator bus service, R-Line. CAT operates 21 local and express routes along with the R-Line, and the TTA operates 12 express routes that serve downtown. All of CAT and TTA buses currently all downtown roadways and terminate service at the Moore Square Station Transit Mall, while the R-Line runs on local streets circulating around Moore Square and the Transit Station. The Downtown Plan is focused on improving the R-Line to make it more comfortable, efficient, and state-of-the-art.

The R-Line route is approximately 3.6 miles in length and operates in a one-way loop around Downtown Raleigh in a counter-clockwise direction. The route is served by three 40-foot hybrid electric buses with two that operate continuously, one serving as a spare bus. There are a total of 20 stops spaced about 1/8 of a mile apart. After 6:30 pm, two of the 20 stops solely serve the Warehouse District entertainment and nightlife patrons. Figure 1 illustrates the existing R-Line with the downtown districts.

The R-Line runs on a 14-minute headway (frequency)



On-board surveys

throughout the day, and operates on a regular schedule: Monday-Wednesday 7:00 am – 11:00 pm, Thursday-Saturday 7:00 am – 2:15 am; and Sunday 1:00 pm – 8:00 pm.

The R-Line is a joint effort of the Raleigh Transit Authority, Downtown Raleigh Alliance (DRA), and the Greater Raleigh Convention and Visitors Bureau. Capital Area Transit (CAT) provides bus service throughout Raleigh as well as R-Line service in Downtown Raleigh. R-Line buses are branded and

painted with a distinct green and blue color scheme representing the green earth and the blue air. A distinct “R” logo is displayed prominently on the bus, signs and printed materials to represent the DRA’s “You R Here” campaign. The R-Line is fare free, is operated by CAT, funded through the City’s General Funds.

#### Transit Onboard Bus Surveys

R-Line transit on board bus surveys were conducted to

Figure 2. Daily Average R-Line Ridership (June 2013)

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
7:00 AM	42.00	41.25	36.50	34.25	30.25	23.00	
8:00 AM	56.25	58.50	55.00	60.75	41.00	26.00	
9:00 AM	51.00	58.75	63.75	57.75	51.00	26.80	
10:00 AM	75.50	58.75	87.00	72.75	61.75	41.40	
11:00 AM	70.50	71.25	64.25	74.00	61.00	37.00	
12:00 PM	70.75	72.75	86.75	68.75	65.50	44.80	
1:00 PM	58.25	66.00	63.50	58.50	59.00	48.20	47.40
2:00 PM	55.50	68.25	69.50	72.00	65.50	60.80	40.80
3:00 PM	65.25	64.00	76.25	63.75	60.00	72.60	50.20
4:00 PM	65.00	91.50	67.00	69.00	47.75	78.00	63.20
5:00 PM	45.00	50.00	62.00	43.50	46.25	54.20	37.00
6:00 PM	22.50	37.25	32.75	40.25	36.75	51.60	33.60
7:00 PM	21.50	23.75	21.50	25.75	40.25	50.80	19.80
8:00 PM	25.25	20.50	16.25	12.25	40.75	48.40	0.20
9:00 PM	18.50	25.00	20.75	34.25	37.00	50.60	
10:00 PM	9.25	14.00	13.25	15.50	47.25	28.80	
11:00 PM	1.00	0.00	0.00	14.50	32.25	42.40	
12:00 AM				21.50	34.25	36.80	
1:00 AM				5.50	20.50	18.40	
2:00 AM				0.00	0.00	3.80	
	<b>753.00</b>	<b>821.50</b>	<b>836.00</b>	<b>844.50</b>	<b>878.00</b>	<b>844.40</b>	<b>292.20</b>

Source: City of Raleigh, 2014; gray color denotes outside service hours and/or ridership on the last bus

obtain more accurate ridership characteristics, such as origin-destination patterns, trip purpose and mode of access and egress. A survey instrument was developed in consultation with the City of Raleigh Transit staff and DRA officials to ensure the collection addresses their specific data needs, including information on socioeconomic characteristics and transit travel patterns of current R-Line transit riders. The survey questions were targeted to provide insight into trip purpose, modes of travel, origin-destination patterns, and other demographic information.

R-Line on-board surveys were conducted systematically over three consecutive days between Thursday, June 19 and Saturday, June 21, 2014 inclusive and generally between the hours of 7:00 am and 2:00 am to account for a broad range of typical riders.

**Figure 3: R-Line Trip Origin**

What type of place are you coming from now?		
Answer	Count	Percentage
Your workplace	22	11%
Your home	87	43%
Other business related	18	9%
Shopping	7	3%
Dining/Eating/Drinking	22	11%
School (K-12 students only)	1	1%
College or University (student only)	2	1%
Medical / Health care	4	2%
Social/Recreation	33	16%
Other	5	2%

The R-Line typically serves approximately 800-900 riders daily on Thursday-Saturday but often increases to over 1,000 during weekend and for special downtown events (see Figure 2). A target for the onboard surveys was set at surveying five percent (5%) of daily ridership. The surveys were completed through one-on-one, onboard transit rider interviews by a survey team using handheld electronic tablets. The electronic survey software was configured to facilitate consistent and accurate data entry. The personal interviews were used to improve the response rate, quality and consistency of data, and better survey the diversity of transit riders.

**Transit Ridership Market**

The R-Line provides convenient, frequent service connections to major downtown commercial office

**Figure 4: R-Line Trip destination**

Where are you going?		
Answer	Count	Percentage
Your workplace	21	10%
Your home	45	22%
Other business related	28	14%
Shopping	11	5%
Dining/Eating/Drinking	45	22%
School (K-12 students only)	1	1%
College or University (student only)	3	1%
Medical / Health care	4	2%
Social/Recreation	38	19%
Other	5	2%

locations, the Raleigh Convention Center, cultural facilities, state and local civic buildings, hotels, and retail areas. The route also provides opportunities to transfer to other regional and local transit services located at the Moore Square Station and the Amtrak Station, and Greyhound Station.

The R-Line serves a diverse ridership ranging from downtown workers and residents, convention visitors, and transit-dependent riders. The R-Line carries an average of 40 to 50 riders per hour with nearly 100 riders at peak periods, and even more during special events, such as Artsposure and the Bluegrass Festival. While transit service typically is perceived as providing lifeline service to transit dependent

riders, the R-Line serves a vital function for Raleigh downtown visitors attending conferences and other events, serving a broad socio-economic spectrum (see Figures 3 through 9).

### Work and Business Related Trips

The R-Line also helps transit-dependent residents get to jobs and government services. Many downtown area neighborhoods are located within walking distance to the R-Line, providing residents better access from their homes to various destinations located within a few blocks of the R-Line.

The R-Line provides access to the State Government Complex and other state buildings located at the north

**Figure 5: Number of Transfers To or From R-Line**

How many transfers did you make BEFORE you boarded the R-Line on your one-way trip?		
Answer	Count	Percentage
None	181	91%
One	19	9%
Two	1	1%
Three or more	0	0%

How many transfers will you make AFTER you boarded the R-Line on your one-way trip?		
Answer	Count	Percentage
None	188	94%
One	13	6%
Two	0	0%
Three or more	0	0%

**Figure 6: How Riders get To and From the Bus**

How did you get to the very first bus you used for this trip?		
Answer	Count	Percentage
Walk	186	93%
Bicycle	6	3%
Drive a vehicle	6	3%
Dropped off by someone	1	1%
Rode with someone	2	1%

How did you get from the very last bus you used for this trip to get to your destination?		
Answer	Count	Percentage
Walk	188	94%
Bicycle	6	3%
Drive a vehicle	2	1%
Dropped off by someone	0	1%
Rode with someone	5	2%

end of downtown along with Wake County and City of Raleigh government buildings, including courthouse, police and other local government services located in downtown Raleigh.

The R-Line serves the central business district centered around Fayetteville Street, comprised of high density office buildings, supporting dining and limited retail space

**Visitors**

More than solely a mode of transportation, the R-Line supports downtown tourism by enabling tourists to visit the city. Several passengers interviewed were

riding the R-Line as a full round-trip or did not have a predetermined stop to get off the bus. The R-Line serves as an effective, fixed route tour bus allowing visitors to visit different parts of downtown while providing them the flexibility to board a subsequent bus back to their starting point or hotel. The Raleigh Convention Center demonstrated strong boardings and alightings for the R-Line, providing direct connections to hotels, such as the Hampton Inn in the Glenwood South district, Holiday Inn at the Municipal Complex stop, Raleigh Marriott City Center, and Sheraton Raleigh at the Convention Center stop. During the survey period, several potential R-Line riders attending a conference at the Raleigh

**Figure 7: Willingness to Pay a R-line Fare**

Would you be willing to pay \$1.00 to ride the R-Line?		
Answer	Count	Percentage
Yes	119	59%
No	82	41%

If not, would you be willing to pay \$0.50 to ride the R-Line?		
Answer	Count	Percentage
Yes	37	18%
No	45	22%

**Figure 8: Gender**

Was the respondent male or female?		
Answer	Count	Percentage
Male	114	57%
Female	87	43%

**Figure 9: Racial Breakdown**

Which race or races do you identify with?		
Answer	Count	Percentage
American Indian or Alaska Native	0	0%
Asian	10	5%
Black/African American	96	48%
Hispanic, Latino, or Spanish origin	9	4%
Native Hawaiian or Pacific Islander	0	0%
White	89	44%
Other	1	1%

Convention Center walked nearly one mile to an area hotel, but were unaware of the available service when asked.

### **Social, Dining, Entertainment**

The R-Line provides downtown worker and residents a convenient way to travel to local eating, drinking, cultural activities, and entertainment areas located



Figure 10: Bus Shelter

in the Fayetteville Street, Moore Square, Glenwood South, Seaboard Station, and Person Street areas, and particularly during evenings and weekends in the Warehouse District.

### **Downtown Trips**

The R-Line primarily provides downtown circulator service as very few passengers transfer to or from other transit routes (CAT, TTA) serving downtown (see Figures 5 and 6). Additional analysis will be required to determine if additional destinations, not currently on the R-Line route should be served.

### **Willingness to Pay R-Line Fares**

The R-Line is a convenient service for riders. Survey results indicate that the majority of riders (59%) would be willing to pay a nominal fare, priced at \$1.00, similar to the regular CAT bus, and 18% out of those unwilling to pay a \$1.00 fare would be willing to pay a lower rate of \$0.50 per one way ride (see Figure 7). When asked in the survey how satisfied the riders were with the existing R-Line service over 98% responded with either 'Satisfied' or 'Very Satisfied'.

### **R-Line Ridership Profile**

The R-Line serves a wide range of downtown transit passengers ranging from lower income transit-dependent riders to higher income choice transit riders, a balance of male and female riders, and a mixture of race, with slightly larger percentage of minority riders; riders who best associate their race as

either Black/African American or Spanish/Hispanic/Latino, composed over 52% of the surveyed riders (see Figures 8 and 9).

## **Infrastructure**

### **One-Way Paired Roadways and Railway**

The R-Line operates in a one-way loop around downtown, partially due to the series of one-way roadways throughout downtown. The R-Line currently travels on a mix of one-way streets (Wilmington, Person, Dawson and Salisbury Streets) and two-way streets (Martin, Hargett, Peace, West, Tucker, Morgan, and Cabarrus Streets, and Glenwood Avenue). The R-Line travels through an interchange at Peace Street with Capital Boulevard, a major intersection at Peace Street and Wilmington/Salisbury Streets, and the railroad corridors near West Street and Capital Boulevard that create significant physical barriers for pedestrians.

### **Topography**

R-Line provides bus service to traverse the undulating topography in the downtown area. The R-Line traverses a vertical change of over 80 feet from low points along Peace Street and West Street to high points along Morgan Street and near the State Capitol. While the downtown area is walkable, the R-Line improves mobility between destinations and help pedestrians overcome the change in elevations.

### **Bus Infrastructure**

As a downtown circulator, the R-Line stops are located curbside along downtown streets, and are identified by blade signs with a unique R-Line logo. With the exception of a few stops, R-Line stops are primarily served solely by the route. Due to existing right-of-way and sidewalk widths, there is limited availability of bus shelters for passengers. Currently only four of the twenty R-Line stops have shelters for patrons. Additional stop infrastructure and amenities should be considered, where possible. (see Figure 10).

## **SUMMARY OF EXISTING CONDITIONS & OPPORTUNITIES**

The R-Line provides a valuable service as a circulator, providing convenient access to a range of destinations within the downtown area.

Major R-Line stop activity was observed serving destinations located at the northern end of Downtown Raleigh, including the Seaboard Station, West Street and the Glenwood Avenue corridor, the Convention Center, and the various stops located around Moore Square.

While the observed R-Line transit ridership included a strong transit-dependent population using it for daily work, shopping and recreation trips, ridership was diverse serving the downtown resident, business and tourist markets. Potential R-Line ridership can be improved by area hotels, Raleigh Convention Center, civic, tourism, and other downtown business forums

through additional promotion to ensure awareness of the R-Line service.

Opportunities for infrastructure enhancements include physical on-street infrastructure such as additional benches and shelters, along with technology infrastructure such as on-board wi-fi and on-street information on next bus arrivals and other pertinent data. These improvements are constrained more by sidewalk/right of way limitations and business and property owner support rather than funding limitations.

Potential service enhancements to the R-Line include possible bi-directional service, frequency improvement, linear rather than circular routing, and other potential route changes to serve more or different origins/destinations. All service enhancement opportunities must be balanced with each other in a limited funding environment. Evaluation of bi-directional service and re-routing can be considered to better serve existing and planned activity centers, employment areas, neighborhood corridor, and major civic, cultural, tourism and other downtown destinations. Considerations for service and route modifications will need to take into account roadway and traffic infrastructure constraints, along with transit market demand and supporting land use.

In addition, consideration of route extensions that have the result of extending trip times must take the corresponding impact to the rider into account. The R-Line's current 15-minute service frequency and approximate 15-minute travel time from one end of the service area to the other end provides convenient service that overcomes some of the potential limitation to a one-way loop R-Line route plan.