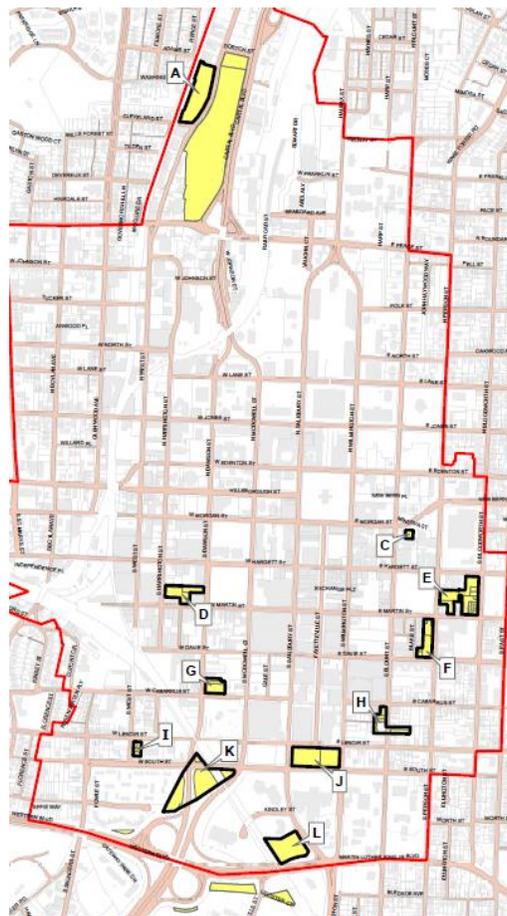


MEMORANDUM

To: City of Raleigh
From: HR&A Advisors, Inc.
Date: July 7, 2016
Re: Summary of Initial Analysis

To guide the disposition strategy for the subject City properties, HR&A has conducted initial due diligence on the selected sites (highlighted below). First, HR&A compiled a property inventory matrix detailing existing conditions and special considerations. We used this information in combination with a thorough review of recent Downtown land transactions to generate preliminary valuations for each site. HR&A has also reviewed key City plans and policy documents and synthesized policy objectives that are relevant to disposition decisions for these sites. This interim memorandum provides a summary of initial findings from this analysis and how they may bear on disposition strategy.

Downtown Site Map



POLICY CONSIDERATIONS

The disposition of City-owned land can act as a strategic lever to further the attainment of City goals. The City recognized this in its Strategic Plan, where Economic Development and Innovation Initiative 3.3 calls for the City to “Develop a policy for strategic property disposition and acquisition.” To guide conversations with public, private, and non-profit stakeholders and to inform a disposition strategy for these sites that best aligns with the City’s intentions, HR&A reviewed pertinent plans and studies produced by the City in recent years. These documents include the City of Raleigh Strategic Plan; the 2030 Comprehensive Plan; the Downtown Plan; the System Plan for Parks, Recreation and Cultural Resources; the Affordable Housing Improvement Plan (FY 2016-2020); and the Raleigh Arts Plan. HR&A then synthesized the citywide and site-specific policies, actions and options from the various documents into a list of objectives relevant to the disposition strategy for the selected downtown sites.

The City of Raleigh’s objectives cluster within six policy guidance goals. Each of these goals holds implications for how, when, and to what ends the subject sites ought to be disposed:

- **Expand housing** to accommodate population growth, with special emphasis on developing new affordable/workforce housing options, as well as exploring options to provide homeless facilities and supportive housing.
- **Encourage economic development** through creating a catalytic district at Gateway Center, recruiting corporate and regional headquarters to locate in downtown, attracting businesses in key growth sectors, promoting the tourism industry, and capitalizing on transit investments.
- **Enhance and expand parks and green space**, by creating additional downtown parks and greenway connectors, enriching existing parks with proceeds from park-adjacent properties to fund capital improvements and operational needs, and creating vibrant activity on park edges.
- **Promote retail** by supporting authentic and vibrant retail offerings and recruiting a neighborhood-oriented grocery store in Downtown Raleigh.
- **Provide resources for community facilities** such as police and fire facilities as well as community facilities like libraries, public parking, childcare, and senior care facilities.
- **Preserve and foster arts and culture** through adaptive reuse of historic properties and incentivizing growth of arts and cultural venues and industries, while promoting community identify and public art.

PRELIMINARY SITE VALUATIONS AND SITE POLICY IMPLICATIONS

For each of the properties, HR&A has generated a high-level preliminary valuation. We compiled and analyzed recent land transactions in downtown Raleigh, demarcating comparable land transactions for each site based on equivalent location, parcel size, zoning, and other considerations. These comparable property transactions enabled us to establish an appropriate range of land value for each of the subject sites. These estimates do not constitute a formal appraisal, but are intended as guide posts to help understand market values.

The disposition of these sites provides the City of Raleigh the opportunity not just to realize revenues from land disposition and future property taxes, but also to make progress against one or more of the above goals. In addition to the option of reserving sites for specific uses to advance these goals, the City could alternatively dispose of select properties through the statutory negotiated offer, advertisement, and upset bid process and apply the sales proceeds to support these goals at other locations. Based on the read-out

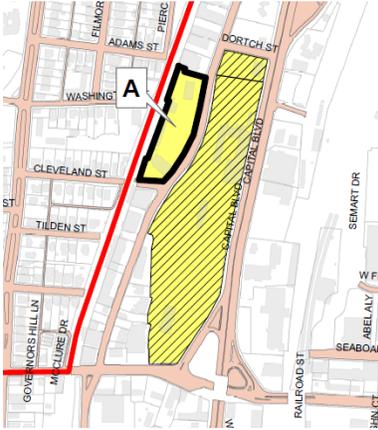
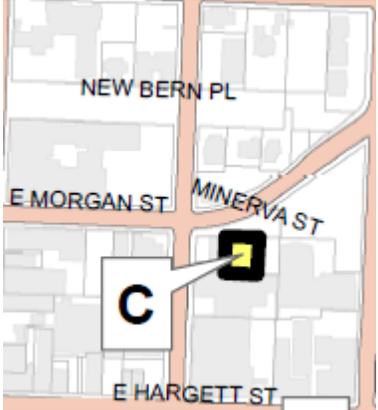
of policies outlined by the City of Raleigh, as well as the data gathered through the compilation of a property inventory matrix for the downtown sites, HR&A has summarized preliminary policy implications for each site. **In the matrix below, “green” indicates a strong potential fit, “yellow” indicates a possible fit, and “red” indicates no apparent fit.** These initial findings are not prescriptive, and are meant to guide discussion to assess the opportunities, priorities, and needs at each location.

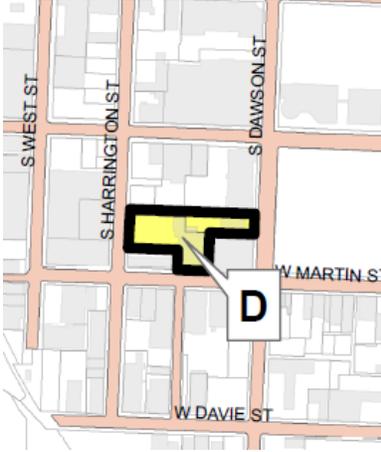
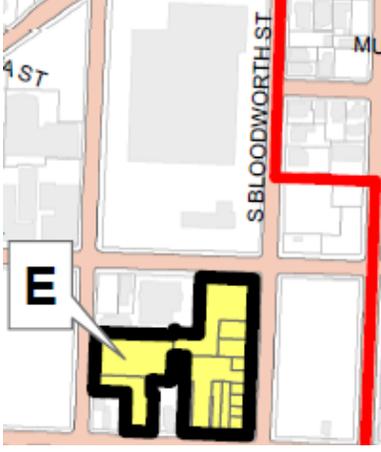
In many cases, a program focused on residential development will be the highest and best use based on market conditions, serving to accommodate growing demand for downtown housing generally and potentially for affordable or workforce housing in particular. Exceptions include sites whose strategic location near Fayetteville Street in the commercial core of Downtown suggests a specific alternate use opportunity.

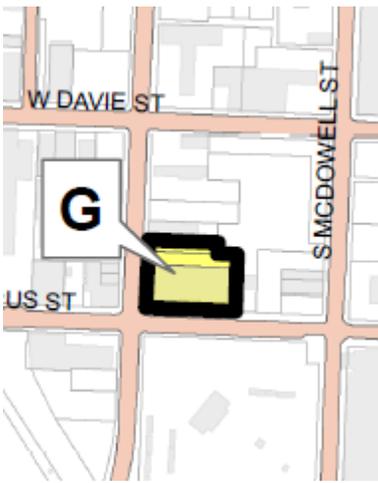
Downtown Site Opportunity Matrix

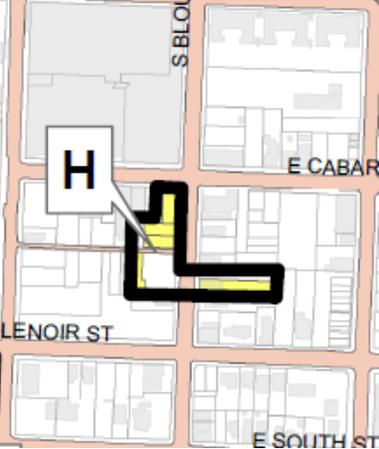
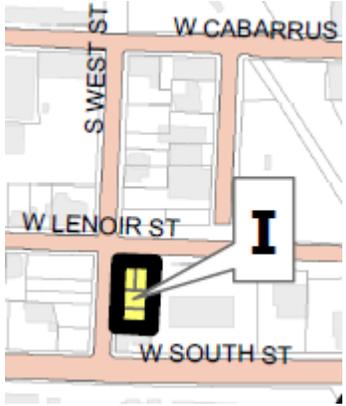
Site	Acres	Preliminary Valuation Estimate	Policy Objectives					
			Housing	Economic Dev.	Green Space	Retail	Community Facilities	Arts and Culture
A	2.56	\$4.0M-\$5.25M	Green	Red	Green	Red	Yellow	Yellow
C	0.19	\$200K-\$300K	Red	Red	Yellow	Red	Yellow	Green
D	1.22	\$4.25M-\$5.5M	Green	Green	Support Nash Sq.	Green	Green	Green
E	2.53	\$9.5M-\$12.0M	Green	Green	Support Moore Sq.	Green	Green	Green
F	1.15	\$3.25M-\$4.0M	Green	Green	Support Moore Sq.	Green	Yellow	Green
G	0.78	\$2.5M-\$3.0M	Green	Green	Red	Yellow	Yellow	Green
H	0.48	\$700K-\$950K	Green	Red	Yellow	Yellow	Yellow	Green
I	0.32	\$400K-\$550K	Green	Red	Yellow	Red	Red	Red
J	2.48	\$11.75M-\$14.25M	Yellow	Green	Yellow	Green	Green	Green
K	4.56	\$4.25M-\$6.0M	Red	Red	Red	Yellow	Green	Red
L	2.15	\$4.25-\$6.5M	Green	Green	Yellow	Green	Green	Green

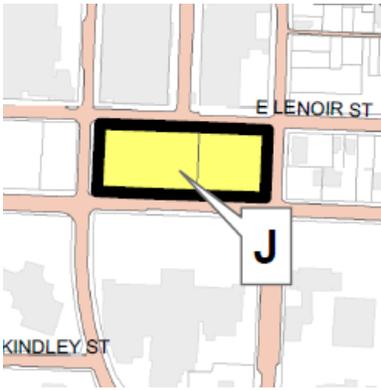
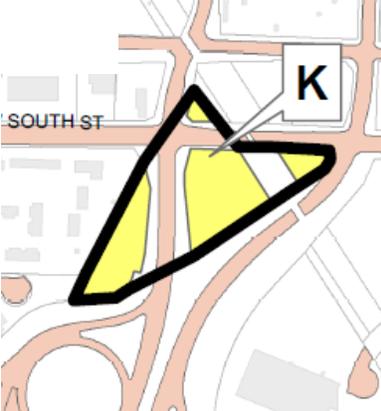
Appendix I: Detailed Site Scorecard

Site	Initial Findings
<p>Site A</p> 	<p>Site Acreage: 2.56</p> <p>Preliminary Valuation Estimate: \$4,000,000 - \$5,250,000</p> <p>Tax Value: \$4,024,944</p> <p>Policy Implications:</p> <p>Housing: Appropriate location for market-rate and affordable housing development</p> <p>Economic Development: Not strong location to support economic development goals</p> <p>Green Space: Future use should complement future Devereux Meadows Park; if Southeast High Speed Rail significantly disturbs site, consider green spaces or placemaking opportunities on undisturbed portions of the site</p> <p>Retail: Not strong retail location</p> <p>Community Facilities: Appropriate location for some public and social facilities</p> <p>Arts and Culture: Possible location for arts and cultural uses to complement Devereux Meadows Park</p>
<p>Site C</p> 	<p>Site Acreage: 0.19</p> <p>Preliminary Valuation Estimate: \$200,000 - \$300,000</p> <p>Tax Value: \$1,067,294</p> <p>Policy Implication:</p> <p>Housing: Not situated so as to be favorable for housing development</p> <p>Economic Development: Too small to support economic development goals</p> <p>Green Space: Potential pocket park location</p> <p>Retail: Not strong retail location</p> <p>Community Facilities: Appropriate location for parking (current use)</p> <p>Arts and Culture: Could be leveraged to continue to support the adjacent Marbles Kids Museum</p>

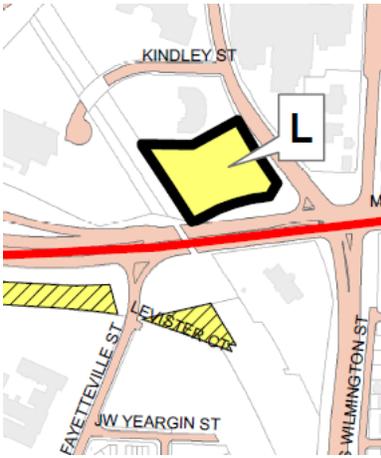
<p>Site D</p> 	<p>Site Acreage: 1.22</p> <p>Preliminary Valuation Estimate: \$4,250,000 - \$5,500,000</p> <p>Tax Value: \$7,370,312</p> <p>Policy Implication:</p> <p>Housing: Appropriate location for market-rate and affordable housing development as part of mixed-use project</p> <p>Economic Development: Appropriate location to support job-generating uses, potentially capitalizing on Warehouse District proximity with space reserved for growth stage companies</p> <p>Green Space: Future use should complement Nash Square; opportunity to leverage disposition proceeds to fund future revamping of Nash Square</p> <p>Retail: Priority retail location fronting Nash Square and Martin Street</p> <p>Community Facilities: Appropriate location for some public and social facilities; could accommodate parking supporting Nash Square and Warehouse districts</p> <p>Arts and Culture: Appropriate location for arts and cultural uses; opportunity to incorporate Legal Aid Building into mixed-use adaptive re-use project</p>
<p>Site E</p> 	<p>Site Acreage: 2.53</p> <p>Preliminary Valuation Estimate: \$9,500,000 - \$12,000,000</p> <p>Tax Value: \$6,876,782</p> <p>Policy Implication:</p> <p>Housing: Appropriate location for market-rate and affordable housing development as part of mixed-use project</p> <p>Economic Development: Appropriate location to support major office or hospitality uses</p> <p>Green Space: Future use should complement Moore Square; opportunity to leverage disposition proceeds to contribute to park operations</p> <p>Retail: Priority retail location fronting Moore Square; potentially strongest site for urban grocery store</p> <p>Community Facilities: Appropriate location for larger-scale public and social facilities; large enough to accommodate significant parking structure</p> <p>Arts and Culture: Appropriate location for large-scale arts and cultural uses</p>

<p>Site F</p> 	<p>Site Acreage: 1.15</p> <p>Preliminary Valuation Estimate: \$3,250,000 - \$4,000,000</p> <p>Tax Value: \$5,367,777</p> <p>Policy Implication:</p> <p>Housing: Appropriate location for market-rate and affordable housing development</p> <p>Economic Development: Appropriate location for smaller office uses</p> <p>Green Space: Future use should complement Moore Square; opportunity to leverage disposition proceeds to contribute to park operations</p> <p>Retail: Appropriate location for ground floor retail use that complements City Market</p> <p>Community Facilities: Appropriate location for some public and social facilities</p> <p>Arts and Culture: Appropriate location for arts and cultural uses; opportunity to support preservation objectives through adaptive reuse of structures on site</p>
<p>Site G</p> 	<p>Site Acreage: 0.78</p> <p>Preliminary Valuation Estimate: \$2,500,000 - \$3,000,000</p> <p>Tax Value: \$6,688,568</p> <p>Policy Implication:</p> <p>Housing: Appropriate location for market-rate and affordable housing development, but parking may be limiting without further assembly</p> <p>Economic Development: Appropriate location to support office or hospitality uses, including attracting corporate headquarters or hotel serving Convention Center, but parking may be limiting without further assembly and opportunities should be explored to coordinate with Wake County's adjacent parking deck; potential to capitalize on Warehouse District proximity with space reserved for growth stage companies</p> <p>Green Space: Not a strong green space opportunity</p> <p>Retail: Potential retail opportunity as ground floor use</p> <p>Community Facilities: Appropriate location for some public and social facilities</p> <p>Arts and Culture: Appropriate location for arts and cultural uses, especially due to its proximity to Red Hat Amphitheater and the Convention Center</p>

<p>Site H</p> 	<p>Site Acreage: 0.48</p> <p>Preliminary Valuation Estimate: \$700,000 - \$950,000</p> <p>Tax Value: \$2,768,851</p> <p>Policy Implication:</p> <p>Housing: Appropriate location for market-rate and affordable housing development</p> <p>Economic Development: Not strong location to support economic development goals</p> <p>Green Space: Potential pocket park location; potential to accommodate public plaza as part of redevelopment</p> <p>Retail: Potential retail opportunity as ground floor use</p> <p>Community Facilities: Appropriate location for some public and social facilities</p> <p>Arts and Culture: Appropriate location for arts and cultural uses; could be leveraged to support nearby Lincoln Theatre and Pope House</p>
<p>Site I</p> 	<p>Site Acreage: 0.32</p> <p>Preliminary Valuation Estimate: \$400,000 - \$550,000</p> <p>Tax Value: \$329,982</p> <p>Policy Implication:</p> <p>Housing: Strong location for market-rate and affordable housing development</p> <p>Economic Development: Not strong location to support economic development goals</p> <p>Green Space: Potential pocket park location</p> <p>Retail: Not strong retail location</p> <p>Community Facilities: Not strong location for public and social facilities</p> <p>Arts and Culture: Not strong location for arts and cultural uses</p>

<p>Site J</p> 	<p>Site Acreage: 2.48</p> <p>Preliminary Valuation Estimate: \$11,750,000 - \$14,250,000</p> <p>Tax Value: \$16,220,995</p> <p>Policy Implication:</p> <p>Housing: Potential location for market-rate and affordable housing development, but likely not highest and best use</p> <p>Economic Development: Strongest location to support office or hospitality uses, including attracting corporate headquarters or headquarters hotel for Convention Center</p> <p>Green Space: Potential to incorporate public plaza or green space as part of redevelopment; should maintain visual connection to Fayetteville Street</p> <p>Retail: Priority retail location fronting Fayetteville Street</p> <p>Community Facilities: Appropriate location for some public and social facilities; large enough to accommodate significant parking structure</p> <p>Arts and Culture: Strong location for arts and cultural uses, especially due to proximity to Duke Energy Center for Performing Arts</p>
<p>Site K</p> 	<p>Site Acreage: 4.56</p> <p>Preliminary Valuation Estimate: \$4,250,000 - \$6,000,000</p> <p>Tax Value: \$10,262,499</p> <p>Policy Implication:</p> <p>Housing: Fringe location for market-rate and affordable housing development</p> <p>Economic Development: Not strong location to support economic development goals, unless catalyzed by development of Site L and surrounding areas</p> <p>Green Space: Not a strong green space opportunity</p> <p>Retail: Not a strong location for urban-scale retail; potential for auto-oriented retail</p> <p>Community Facilities: Appropriate location for some public and social facilities, including potential site for Fire Station relocation</p> <p>Arts and Culture: Not a strong location for arts and cultural uses, unless catalyzed by development of Site L and surrounding areas</p>

Site L



Site Acreage: 2.15

Preliminary Valuation Estimate: \$4,250,000 - \$6,500,000

Tax Value: \$8,525,792

Policy Implication:

Housing: Appropriate location for market-rate and affordable housing development as part of mixed-use project

Economic Development: Strong location to support office or hospitality uses, including attracting corporate headquarters

Green Space: Opportunity to include public green space and public plazas as part of site plan

Retail: Priority retail location with activation of Southern Gateway

Community Facilities: Appropriate location for larger-scale public and social facilities; large enough to accommodate significant parking structure

Arts and Culture: Strong location for destination arts and cultural uses, including creation of a sports or entertainment district

Appendix II: Policy Review

EXPAND HOUSING

Goal: Develop housing to support population increase

- Encourage high-density residential development in downtown, consistent with the target of accommodating another 25,000 residents by 2030 (*Comprehensive Plan DT 4.1*)

Implications: Favor residential as a baseline use for the sites absent other overarching considerations.

Potentially relevant sites: A, D, E, F, G, H, I

Goal: Increase production of affordable/workforce housing

- Ensure downtown has a diversity of housing opportunities at different price points (*Downtown Plan SG-5*).
- Preserve and expand the existing supply of affordable housing in and near downtown (*Comprehensive Plan DT 4.3*).
- Encourage mixed-income housing downtown (*Comprehensive Plan DT 4.4*).
- Commit to setting aside a share of future downtown land sales to fund affordable housing (*Downtown Plan SA-23*).
- Develop specific development plans for appropriate city-owned parcels and issue Requests for Proposals (RFPs) for affordable or mixed income housing for homeownership and rental (*Downtown Plan SA-25*).
- Issue Requests for Qualifications (RFQs) for the disposition of appropriate city-owned properties downtown with the requirement that affordable/workforce housing be included in the development or provided nearby (*Downtown Plan SA-27*).
- Site Acquisition Assistance for Affordable Rental Development. Given that it is a priority to locate affordable housing near future transit improvements, downtown neighborhoods and parts of the City that are underserved, assistance will be required in some cases to write-down land acquisition costs. In some instances, it would also be prudent for the City to acquire and land bank sites for future development, particularly near future transit improvements (*Affordable Housing Improvement Plan Option 2*).
- Include a set-aside of affordable housing units in housing or mixed-use projects involving City-owned or other publicly-owned properties. For City-owned properties, the set aside should be 15 to 20 percent (*Comprehensive Plan Policy H 2.7, Action H 2.20*).
- Use available City-owned sites for affordable housing (*Comprehensive Plan Policy H 2.9*).

Implications: Identify sites to target for the development of affordable/workforce housing, as well as stipulate inclusionary housing policy for developers implementing residential or mixed-use projects on City-owned sites.

Potentially relevant sites: A, D, E, F, G, H, I

Goal: Develop facilities and housing for the homeless

- Partner with non-profits and Wake County to address homelessness and work to facilitate housing for the homeless population (*Downtown Plan SG-6*).
- Identify sites in close proximity to the future homeless services facility suitable for expanding the supply of affordable permanent housing options in collaboration with Wake County (*Downtown Plan SA-28*).
- Examine possible sites and alternative facility designs for a long-term homeless services facility (*Downtown Plan SA-29, Affordable Housing Improvement Plan Option 6, Strategic Plan Safe, Vibrant & Healthy Community Initiative 2.1*).
- Explore Single Room Occupancy (SRO) housing for a downtown site (*Downtown Plan SA-30*).

Implications: Consider using a select site for a future homeless services facility.

Potentially relevant sites: A, D, E, F, G, H, I

Goal: Develop supportive housing for the disabled and seniors

- Promote development of additional housing serving persons with disabilities (*Comprehensive Plan H 3.5*).
- Support development of accessible housing for residents with disabilities, particularly near transit stations and corridors (*Comprehensive Plan H 4.3*).

Implications: Consider using a select site for supportive housing for the disabled and elderly.

Potentially relevant sites: A, D, E, F, G, H, I

ENCOURAGE ECONOMIC DEVELOPMENT

Goal: Create a major catalytic district at Gateway Center

- Develop a Gateway Center to support a major, regionally-significant mixed-use development, tourist attraction and/or convention center expansion (*Downtown Plan SG-7*).
- Create a bold urban design plan for a cultural/entertainment district that encompasses the Convention Center, Red Hat Amphitheater, and the Duke Energy Center for the Performing Arts (*Downtown Plan SA-31*).
- Develop a public-private partnership and a plan for the mega-block between Martin Luther King Jr. Boulevard and South Streets that includes a shared vision, development phasing, and financing mechanisms (*Downtown Plan SA-34*).
- Cooperate on a joint vision for the district that involves the landowners in the district, including Duke Energy Center for the Performing Arts, the North Carolina Association of Educators, Wake County, Shaw University, and the City of Raleigh (*Downtown Plan Gateway Center Action 1*).
- Disposition of the larger parcels that comprise the Gateway Center would be timed around the emergence of a catalytic use on the western portion of the site, such as a sports stadium, arena, or convention expansion. Mixed-use buildings on the eastern portion of the site should complement the catalytic use and potentially provide cross-subsidizing revenue. (*Downtown Plan Gateway Center Action 2*).
- Promote development of athletic facilities that attract regional and national competitions, generate new revenues and provide economic development opportunities (*Parks System Plan Objective 2A*).

Implications: Strategically position the sites located in the Gateway Center to support the creation of a new, regionally-significant mixed-use district centered on an entertainment center/arena or an anchor corporate campus. Partner with other existing landowners to advance a large-scale, long-term vision for the area.

Potentially relevant sites: J, K, L

Goal: Develop Downtown as a regional destination for corporate headquarters

- Encourage new investments and developments that position downtown as the center of the region for headquarters, jobs, urban housing, entertainment, and transit (*Comprehensive Plan Policy DT 3.8*).
- Target Raleigh as a location for corporate headquarters, with a particular emphasis on downtown locations (*Comprehensive Plan Policy DT 3.1.4*).
- Develop a plan for the development, marketing, and disposition of two sites flanking the southernmost block of Fayetteville Street, as well as other significant city properties (*Downtown Plan SA-33*).
- Sites 2 and 3 (Site J) represent the final major development opportunities on Fayetteville Street and should be retained for a significant corporate relocation or other catalytic use. Corporate relocation incentives like Business Investment Grants and Job Development Investment Grants should be considered for deployment (*Downtown Plan Gateway Center Action 2*).

Implications: Sites within the commercial core of downtown should be positioned to attract significant business relocations and expansions within downtown Raleigh.

Potentially relevant sites: D, E, G, J, L

Goal: Attract and retain growth industries

- Plan for and designate adequate land for offices, laboratories, business incubators, and flex space buildings to accommodate Raleigh's growing technology industries on the Future Land Use Map (*Comprehensive Plan LU 9.1*).
- Assist Raleigh's largest employment sectors, including the education, health care, social services, and public administration sectors, to resolve land use constraints so that they can continue to grow, expand job opportunities, and provide a stable economic base (*Comprehensive Plan ED 3.4*).
- Support the needs of growth and budding niche industries and pro-actively provide the programs, space, and infrastructure necessary to support these industries (*Comprehensive Plan ED 3.11*).
- Encourage office space development in mixed-use and urban centers to create a competitive advantage for Raleigh by providing a product type lacking in the regional marketplace (*Comprehensive Plan ED 5.4*).

Implications:

Reserve specific sites for significant employment generating uses, and consider imposing conditions that stipulate a portion of new space be reserved for growth stage companies.

Potentially relevant sites: D, E, G, J, L

Goal: Expand tourism and hospitality industries

- Attract additional hotels, preferably full-service hotels, to meet the demands of expanding tourism (*Downtown Plan SA-35*).
- Work with economic development agencies such as the Greater Raleigh Chamber of Commerce, Greater Raleigh Convention and Visitors Bureau, and the Downtown Raleigh Alliance to recruit new hospitality-sector uses to downtown (*Comprehensive Plan DT 3.12*).
- Work with developers, investors, and other local organizations to plan and provide diverse and accessible lodging and accommodations to support tourism growth (*Comprehensive Plan DT 6.5*).

Implications:

Consider whether recent Downtown hotel announcements will satiate hotel demand, and if not, consider sites proximate to the Convention Center for full service hotel development.

Potentially relevant sites: J, L

Goal: Capitalize on future transportation hub to revitalize Nash Square

- In addition to potential government and office uses, a large percentage of the space should be allocated to residential uses. Dedicated affordable or workforce housing units should be strongly considered for inclusion. Ground-floor retail is also strongly encouraged to compliment the active edges of Nash Square (*Downtown Place Nash Square/Raleigh Union Station Action 1*).
- Sites within a half-mile of planned and proposed fixed guideway transit stations should be developed with intense residential and mixed-uses to take full advantage of and support the City and region's investment (*Comprehensive Plan LU 4.7*).

Implications:

Encourage mixed-use development including residential, office, and retail space bordering Nash Square and proximate to Union Station.

Potentially relevant sites: D

ENHANCE AND EXPAND PARKS AND GREEN SPACE

Goal: Create additional parks and green spaces downtown

- Create new parks and green spaces in downtown, both large and small, to serve the growing population. Ensure a variety of spaces are available for residents of all ages (*Downtown Plan BG-2*).
- Increase public parkland, recreational facilities, and open spaces for downtown residents, workers, and visitors. Seek traditional and non-traditional means for providing these amenities (*Comprehensive Plan Policy DT 5.2*).
- Expand green space in Raleigh by creating an open-space plan including criteria for land acquisition and pursuing non-City funding for land preservation (*Strategic Plan Growth & Natural Resources Initiative 2.2*).
- Implement the Devereux Meadows project, including the Pigeon House Branch restoration, which will bring needed green space to Glenwood South and the North End (*Downtown Plan BA-11*).
- Identify underutilized sites in the Glenwood South and Warehouse Districts that would be suitable for acquisition and conversion into pocket parks (*Downtown Plan BA-12*).
- Continue providing and maintaining high quality athletic fields, courts, pools and programs that are equitably distributed throughout the city (*Parks System Plan Objective 1A*).

Implication: Retain portions of select Downtown sites for use as future open space and pocket parks, especially sites located in underserved areas. Encourage inclusion of usable green spaces in design of new development, such as vertical parks and green roofs.

Potentially relevant sites: A, C, H, I

Goal: Fund enhancement of existing parks, green spaces, and public improvements

- Create a sustainable and transparent funding and governance structure to ensure the long-term acquisition, creation, and maintenance of downtown public open spaces, parks, and plazas (*Downtown Plan BG-4*).
- Consider directing the proceeds from the disposition of city-owned sites into land acquisition and public realm improvements (*Downtown Plan BA-25*).
- Capture value from parks and public improvements by coordinating disposition of city-owned sites nearby public open spaces such as Moore Square, Nash Square, and Devereux Meadows (*Downtown Plan BA-28*).

Implication: Proceeds from parcels adjacent to Moore Square (Sites E, F), Nash Square (Site D), and the future Devereux Meadows (Site A) can be leveraged to capitalize a fund for the park capital improvements and operational maintenance. Disposition of these properties should be coordinated to support the visions for the neighboring parks.

Potentially relevant sites: A, D, E, F

Goal: Develop vibrant activity surrounding parks, plazas, and squares

- Downtown plazas, parks, and squares should be ringed by activity. Require ground floor active use surrounding publicly-accessible open spaces and encourage upper level balconies, terraces, and gathering spaces. (*Comprehensive Plan Policy DT 7.12*)
- Provide urban squares, public plazas, and similar areas that stimulate vibrant pedestrian street life and provide a focus for community activities. Encourage the “activation” of such spaces through the design of adjacent structures; for example, through the location of shop entrances, window displays, awnings, and outdoor dining areas. (*Comprehensive Plan Policy UD 4.6: Activated Public Space*)

Implication: Parcels adjacent to downtown parks (Sites D, E, F) should accommodate functions that foster the vitality of the surrounding green space. Other large downtown sites should be considered for the incorporation of ground-level uses that activate street life.

Potentially relevant sites: D, E, F, J, L

PROMOTE RETAIL

Goal: Create a robust and authentic retail environment in downtown

- Create a robust retail environment in downtown that diversifies beyond nightlife to include a complement of local and destination retail. (*Downtown Plan SG-4*)
- Expand on the existing Downtown Raleigh Alliance retail strategy to target authentic retail services that support downtown’s growing residential, employee, and tourist population. (*Downtown Plan SA-17*)
- Encourage pop-up cafes and shops, galleries, food trucks, and mobile vendors to activate more isolated parts of the retail corridors. (*Downtown Plan SA-19*)
- Focus on downtown streets like Hargett and Martin Streets to create a great walking and retail environment from Raleigh Union Station to Moore Square and beyond. (*Downtown Plan MA-3*)
- The community has voiced a preference for unique, local retail that contributes to an authentic sense of place. When the city disposes of municipally-owned property, it should stipulate a preference for smaller retail spaces, roughly 1,000 to 3,000 square feet. (*Downtown Plan Retail Strategy Action 3*).
- The city should build upon downtown’s existing energy by focusing on blocks in the immediate vicinity of Fayetteville Street, Nash, and Moore Squares and on east-west connections with heavy pedestrian traffic. The public sector should also introduce creative small-scale urban interventions such as public art installations and parklets along portions of the retail corridors lacking in vibrancy. (*Downtown Plan Retail Strategy Action 2*).

Implications: In market feasible locations, disposition of downtown properties should encourage ground-floor uses that cultivate a lively retail environment. Greatest emphasis should be placed on primary retail corridors such as Fayetteville, Hargett, and Martin Streets or surrounding Nash and Moore Square.

Potentially relevant sites: D, E, F, G, J

Goal: Recruit a grocery store

- Explore public-private partnerships to recruit a grocery store and other neighborhood services (*Downtown Plan SA-19*).
- Incorporate the preference for a grocery store into property disposition (*Downtown Plan Retail Strategy Action 4*).
- Facilitate development by accepting a lower offer for the publically-owned land than would be tendered with more profitable ground-floor uses. Potential locations for a grocery store using this method include one of the underutilized or city-owned parcels surrounding Nash Square, the Hillsborough Street parcels north of Nash Square, or one of the underutilized or city-owned parcels surrounding Moore Square (*Downtown Plan Retail Strategy Action 4*).

Implications: Consider stipulating a preference for an urban grocer into the disposition of one of the parcels.

Potentially relevant sites: E, F

PROVIDE RESOURCES FOR COMMUNITY FACILITIES

Goal: Provide for adequate police, fire, and emergency response facilities

- Plan and provide for police stations and supporting facilities adequate to protect the health and safety of Raleigh's current and future citizenry and business population, and to support Police Department level of service policies. (*Comprehensive Plan Policy CS 3.1*)
- Plan and provide for fire and emergency facilities adequate to protect the health, life, livelihood, and property of Raleigh's current and future citizenry and business. (*Comprehensive Plan Policy CS 4.1*)

Implications: Two of the study sites house police (Site G) and fire (Site D) departments. When considering disposition, take into account opportunities for relocation onto alternative sites.

Potentially relevant sites: D, G, K

Goal: Provide for social and public facilities

- Plan and provide for childcare facilities adequate to meet the needs of Raleigh families. (*Comprehensive Plan Policy CS 5.6*)
- Plan and provide for elder care facilities adequate to meet the needs of Raleigh's aging population. (*Comprehensive Plan Policy CS 5.7*)
- Collaborate with Wake County to locate and construct a downtown library. (*Comprehensive Plan Action DT 6.1*)
- Encourage smaller but more numerous public parking facilities in a greater variety of locations downtown by creating a program to partner with developers to add public parking to private developments. (*Downtown Plan MA-33*)

Implications: Consider opportunities to include social and community facilities, including a downtown library (sited in collaboration with Wake County) or a public parking facility, in the disposition of select sites.

Potentially relevant sites: A, C, D, E, F, G, H, J, K, L

PRESERVE AND FOSTER ARTS AND CULTURE

Goal: Invest in development of arts and cultural venues and industries in Downtown

- Downtown should be the priority location for major cultural and arts institutions (*Comprehensive Plan Policy DT 3.12*).
- Target downtown locations for major public investments in culture, arts, and entertainment venues and facilities (*Comprehensive Plan Action ED 6.1*).
- Encourage the development of additional tourist attractions and visitor-supportive uses, activity generators, and events downtown, including live performances and programming in downtown's public spaces (*Comprehensive Plan Policy DT 3.13*).
- Develop a range of new cultural arts venues to meet increasing demands from new and existing residents (*Comprehensive Plan Policy AC 3.2*).
- Encourage developers to include artist live-work, studio, rehearsal and performance spaces as an active ground floor use (*Raleigh Arts Plan Goal 4.4*).
- As a long-term goal, explore the development of a 1,500- to 1,800-seat performance space that is universally accessible (*Raleigh Arts Plan Goal 5.10*).
- Encourage connections between and among venues to locate proximate to one another in identifiable clusters or districts and in proximity to complementary uses such as coffee shops, dining and drinking establishments, and retail (*Comprehensive Plan Policy AC 3.5*).
- Position the City generally, and downtown specifically, as a regional and super-regional destination for conventions, the performing arts, sports, and special events (*Comprehensive Plan Policy ED 6.1*).
- Identify future destination facilities that support and enhance arts, culture and convention activities (*Strategic Plan Arts & Cultural Resources Initiative 3.2*).
- Create a City-sponsored institution that provides support, space, training, education, and opportunities for emerging creative talent in the downtown. (*Comprehensive Plan Action DT 3.11*)

Implications: Consider encouraging the use of select sites for arts and cultural venues and institutions as well as the amenities that will support these industries.

Potentially relevant sites: C, D, E, F, G, H, J, K, L

Goal: Promote adaptive reuse to conserve historic properties and districts

- Keep downtown authentic and full of character through historic preservation and adaptive reuse, public art, and high-quality new construction (*Downtown Plan SG-1*).
- Use historic and adaptive reuse strategies to expand development while preserving downtown's historic identity and areas of unique character, such as the Warehouse District (*Downtown Plan SA-3*).
- Encourage adaptive use of historic properties to preserve cultural resources and conserve natural resources (*Comprehensive Plan Policy HP 3.1*).

Implications: For sites with or surrounding historic buildings, aim for a disposition and development strategy that will preserve the structures or adaptively reuse them.

Potentially relevant sites: D, F, H

Appendix III: Property Inventory Matrix

CC																
GROUP ID	REID	SITE ADDRESS	ACREAGE	DEED BOOK	DEED PAGE	DEED DATE	DEED ACRES	HEATED AREA	LAND CLASS	ZONING	HISTORIC CONSIDERATIONS	OTHER CONSIDERATIONS	EASEMENTS	RESTRICTED USES	PERMITTED USES	ENVIRONMENTAL CONTAMINATION
A	0102572	1027 N WEST ST	16.205	012531	00472	5/2/2007	16.78	64259	COMM	IX-3/IX-12						
C	0045898	208 E MORGAN ST	0.188	004781	00502	9/21/1990	0.19	0	VACANT	DX-7-UG						
D	0102386	217 S HARRINGTON ST	0.082	1081.000	591.000	10/22/1951	0.090	0	ACRE IMP	DX-5-SH						
	0102389	220 S DAWSON ST	0.364	000868	00041	8/5/1941	0.37	11200	COMM	DX-5-SH	Depot District National Register Historic District					
	0018302	310 W MARTIN ST	0.755	005535	00903	3/22/1993	0.76	32459	COMM	DX-5-SH						
E	0048492	218 S BLOODWORTH ST	0.042	015339	00909	6/28/2013	0.04	0	VACANT	DX-12-UG-CU						PCE, TCE, and Benzene levels in groundwater exceeded state standards.
	0004774	224 S BLOODWORTH ST	0.037	015339	00909	6/28/2013	0.04	0	VACANT	DX-12-UG-CU						
	0004770	214 S BLOODWORTH ST	0.101	015339	00909	6/28/2013	0.10	0	VACANT	DX-12-UG-CU						
	0004772	228 S BLOODWORTH ST	0.034	015339	00909	6/28/2013	0.03	0	VACANT	DX-12-UG-CU						
	0006045	210 S BLOODWORTH ST	0.101	015339	00909	6/28/2013	0.10	0	VACANT	DX-12-UG-CU						
	0004773	226 S BLOODWORTH ST	0.037	015339	00909	6/28/2013	0.04	0	VACANT	DX-12-UG-CU						
	0039069	319 E MARTIN ST	0.389	015339	00909	6/28/2013	0.39	0	VACANT	DX-12-UG-CU						
	0004771	327 E MARTIN ST	0.060	015339	00909	6/28/2013	0.06	0	VACANT	DX-12-UG-CU						
	0004775	325 E MARTIN ST	0.078	015339	00909	6/28/2013	0.08	0	VACANT	DX-12-UG-CU						
	0014973	330 E HARGETT ST	0.589	015339	00909	6/28/2013	0.59	0	ACRE IMP	DX-12-UG-CU						
	0071314	323 E MARTIN ST	0.078	015339	00909	6/28/2013	0.08	0	VACANT	DX-12-UG-CU						
	0066856	317 E MARTIN ST	0.060	015339	00909	6/28/2013	0.06	0	VACANT	DX-12-UG-CU						
	0103166	219 S PERSON ST	0.329	015416	00396	8/23/2013	0.36	0	VACANT	DX-20-SH	Identified by the State Historic Preservation Office as the former Baxter S Castleberry Filling Station					Tetrachloroethene and MTBE identified in groundwater, exceeding state standards. Recommend no use of groundwater (irrigation or supply wells) and that future use of property consider potential for soil vapor intrusion into buildings.
	0088343	215 S PERSON ST	0.559	015416	00396	8/23/2013	0.56	13096	COMM	DX-20-SH						

Downtown City Properties for RFQ

GROUP ID	REID	SITE ADDRESS	ACREAGE	DEED BOOK	DEED PAGE	DEED DATE	DEED ACRES	HEATED AREA	LAND CLASS	ZONING	HISTORIC CONSIDERATIONS	OTHER CONSIDERATIONS	EASEMENTS	RESTRICTED USES	PERMITTED USES	ENVIRONMENTAL CONTAMINATION	
F	0061732	339 BLAKE ST	0.085	003817	00230	9/5/1986	0.08	0	ACRE IMP	DX-3-SH-HOD-G	Moore Square Historic Overlay District (HOD)						
	0042335	333 BLAKE ST	0.053	004646	00525	2/5/1990	0.05	2280	COMM	DX-3-SH-HOD-G	Moore Square HOD (Commission might prefer to see easements on the form of this building)						
	0328770	230 E MARTIN ST	0.040	004604	00073	11/20/1989	0.04	817	COMM	DX-3-SH-HOD-G	Moore Square HOD. At commission instruction, staff has been working with CD for several years to get easements placed on these buildings at the time of sale, utilizing preservation legislation.			Park, sports, agriculture, swimming pools, lakes, playground, child care centers, schools (without permission of DENR)	Commercial/office, industrial, residential. Prior to demolition of existing buildings, only parking is permitted.	Groundwater and soil contamination. Brownfield property.	
	0063187	228 E MARTIN ST	0.346	004604	00073	11/20/1989	0.35	0	ACRE IMP	DX-3-SH							
	0232408	226 E MARTIN ST	0.038	014944	02370	9/26/2012	0.04	1584	COMM	DX-3-SH-HOD-G							
	0062084	225 E DAVIE ST	0.579	006644	00258	8/23/1995	0.59	0	ACRE IMP	DX-3-SH				Park, sports, agriculture, swimming pools, lakes, playground, child care centers, schools (without permission of DENR)	Commercial/office, industrial, residential. Prior to demolition of existing buildings, only parking is permitted.	Groundwater and soil contamination. Brownfield property.	
G	0076235	218 W CABARRUS ST	0.523	013288	00949	10/30/2008	0.52	33702	COMM	DX-20-SH							Volatile constituent contamination was not found in groundwater on site, despite proximity to former Manufactured Gas Plant.
	0076236	419 S DAWSON ST	0.104	013288	00949	10/30/2008	0.11	0	ACRE IMP	DX-20-SH							Chloroform levels in groundwater exceeded state threshold, but this is occasionally found in groundwater near chlorinated water systems.
	0076237	421 S DAWSON ST	0.158	013288	00949	10/30/2008	0.15	0	ACRE IMP	DX-20-SH							

Downtown City Properties for RFQ

GROUP ID	REID	SITE ADDRESS	ACREAGE	DEED BOOK	DEED PAGE	DEED DATE	DEED ACRES	HEATED AREA	LAND CLASS	ZONING	HISTORIC CONSIDERATIONS	OTHER CONSIDERATIONS	EASEMENTS	RESTRICTED USES	PERMITTED USES	ENVIRONMENTAL CONTAMINATION	
H	0002755	116 STRONACHS ALY	0.088	009703	00772	10/31/2002	0.08	0	VACANT	DX-7-UG	These lots may be considered as part of a project keeping the Pope House in its current location--potential to trade with lots adjacent to the house.						
	0023535	510 S BLOUNT ST	0.069	003331	00163	8/8/1984	0.07	0	VACANT	DX-7-UG							
	0037237	508 S BLOUNT ST	0.065	008737	02286	11/20/2000	0.07	0	VACANT	DX-7-UG							
	0033499	500 S BLOUNT ST	0.091	010106	02703	5/7/2003	0.09	0	VACANT	DX-7-UG						Two on-site monitor wells abandoned property in 2009, one paved over, two could not be located.	
	0029674	517 S BLOUNT ST	0.169	009912	02296	2/14/2003	0.17	2275	COMM	DX-3-UG-HOD-G	Prince Hall HOD. At commission instruction, staff has been working with CD for several years to get easements placed on these buildings at the time of sale, utilizing preservation legislation.						
I	0000550	603 S WEST ST	0.086	012319	01690	12/19/2006	0.09	0	VACANT	NX-3-UL							
	0013692	409 W LENOIR ST	0.066	013490	01799	4/21/2009	0.07	0	VACANT	NX-3-UL							
	0033038	607 S WEST ST	0.086	012319	01694	12/19/2006	0.09	0	VACANT	NX-3-UL							
	0076311	407 W LENOIR ST	0.071	012492	01564	4/11/2007	0.07	0	VACANT	NX-3-UL							
J	0051511	10 W SOUTH ST	1.490	002343	00690	9/8/1975	1.49	0	ACRE IMP	DX-40-SH							
	0022301	0 FAYETTEVILLE ST	1.012	002326	00317	6/27/1975	0.99	0	VACANT	DX-40-SH							
K	0094439	300 W SOUTH ST	0.075	002367	00158	12/23/1975	0.08	0	VACANT	DX-20-UG							
	0182322	0 W SOUTH ST	1.252	002867	00089	10/3/1980	1.61	0	VACANT	DX-5							
	0408254	0 W SOUTH ST	0.195	002367	00158	12/23/1975	0.19	0	VACANT	DX-20							
	0408227	0 MARTIN LUTHER KING JR BLVD	2.791	002399	00378	5/6/1976	2.79	0	VACANT	RX-3/R-10							
L	0408140	0 S SALISBURY ST	2.143	003396	00313	12/12/1984	2.15	0	COMM	DX-20-UG-CU							

Appendix IV: Property Valuation Results

HR&A generated preliminary valuations through analyzing comparable land transactions. Relying on real estate property data from the Wake County Revenue Department, HR&A documented several dozen land transactions within and in proximity to downtown Raleigh since fall of 2013, including information on acreage, zoning, current and future use, and sales price. To understand the details of the transactions and planned future uses, HR&A supplemented this review of real estate property records with news articles on prominent recent land sales and real estate listings.

For each site, HR&A selected comparable land transactions based on a variety of factors, including location, size, zoning, and potential uses. The sales prices for these comparable transactions informed a range of baseline approximations of value per acre. Subsequently, HR&A used these baselines as well as our professional judgment from in-depth experience with the Raleigh market to generate appropriate preliminary values for each city-owned site. Site B is not included in this analysis since the City has already disposed of the property.

Site	Comparable Transactions	Acreage	Sale Date	Sales Price	Sales Price/Acre
A	600 N. West St	1.24	Feb-16	\$4,600,000	\$3,709,677
	437-441 N. Harrington St	1.21	Mar-15	\$3,635,000	\$3,004,132
	905 Capital Blvd	0.76	Sep-15	\$490,000	\$644,737
	711 N West St	0.12	Aug-15	\$175,200	\$1,460,000
Site A Preliminary Value Estimate: \$4,000,000 - \$5,250,000 (\$1,500,000 - \$2,000,000 per acre)					
C	527-539 New Bern Ave	0.57	May-15	\$291,000	\$510,526
	502 New Bern Ave	0.95	Apr-15	\$700,000	\$736,842
	324 E. Davie St	0.06	Feb-15	\$38,000	\$633,333
	11 S. Blount St	0.35	Oct-15	\$935,000	\$2,671,429
	414 New Bern Ave	0.12	Mar-16	\$200,000	\$1,666,667
Site C Preliminary Value Estimate: \$200,000 - \$300,000 (\$1,000,000 - \$1,500,000 per acre)					
D	301 Hillsborough	1.18	Mar-16	\$6,300,000	\$5,338,983
	215 S McDowell St	3.01	Nov-15	\$20,200,000	\$6,710,963
	223 S. West St	2.5	Dec-15	\$13,875,000	\$5,550,000
	319 S West Street	0.28	Feb-15	\$900,000	\$3,214,286
	227 W Davie St	0.59	Dec-15	\$2,050,000	\$3,474,576
	414 Hillsborough St	0.6	Feb-15	\$1,410,000	\$2,350,000
Site D Preliminary Value Estimate: \$4,250,000 - \$5,500,000 (\$3,500,000 - \$4,500,000 per acre)					
E	215 S McDowell St	3.01	Nov-15	\$20,200,000	\$6,710,963
	223 S. West St	2.5	Dec-15	\$13,875,000	\$5,550,000
	308 S Blount St	0.68	Nov-13	\$4,124,000	\$6,064,706
	227 S. Person St	0.21	Jan-16	\$1,100,000	\$5,238,095
	600 N. West St	1.24	Feb-16	\$4,600,000	\$3,709,677
	314 W. Jones St	1.99	Jan-16	\$6,185,000	\$3,108,040

Site E Preliminary Value Estimate: \$9,500,000 - \$12,000,000 (\$3,750,000 - \$4,750,000 per acre)					
F	308 S Blount St	0.68	Nov-13	\$4,124,000	\$6,064,706
	227 S. Person St	0.21	Jan-16	\$1,100,000	\$5,238,095
	500 E. Davie St	0.83	Aug-15	\$2,020,000	\$2,433,735
Site F Preliminary Value Estimate: \$3,250,000 - \$4,000,000 (\$2,750,000 - \$3,500,000 per acre)					
G	431 S McDowell St	0.57	Jul-15	\$4,050,000	\$7,105,263
	223 S. West St	2.5	Dec-15	\$13,875,000	\$5,550,000
	319 S West Street	0.28	Feb-15	\$900,000	\$3,214,286
	616 S Salisbury Street	0.52	Feb-14	\$1,730,000	\$3,326,923
	227 W Davie St	0.59	Dec-15	\$2,050,000	\$3,474,576
Site G Preliminary Value Estimate: \$2,500,000 - \$3,000,000 (\$3,000,000 - \$4,000,000 per acre)					
H	500 E. Davie St	0.83	Aug-15	\$2,020,000	\$2,433,735
	209 E Cabarrus St	0.19	Jul-15	\$70,000	\$368,421
	214 E Cabarrus St	0.08	Feb-14	\$115,000	\$1,437,500
	517 S Person St	0.26	Oct-15	\$135,000	\$519,231
	555 Fayetteville St	1.95	Mar-14	\$6,300,000	\$3,230,769
Site H Preliminary Value Estimate: \$700,000 - \$950,000 (\$1,500,000 - \$2,000,000 per acre)					
I	612-618 S West St	0.53	Jan-15	\$757,500	\$1,429,245
	726 S Saunders St	0.1	Sep-15	\$140,000	\$1,400,000
Site I Preliminary Value Estimate: \$400,000 - \$550,000 (\$1,250,000 - \$1,750,000 per acre)					
J	215 S McDowell St	3.01	Nov-15	\$20,200,000	\$6,710,963
	223 S. West St	2.5	Dec-15	\$13,875,000	\$5,550,000
	616 S Salisbury Street	0.52	Feb-14	\$1,730,000	\$3,326,923
	555 Fayetteville St	1.95	Mar-14	\$6,300,000	\$3,230,769
Site J Preliminary Value Estimate: \$11,750,000 - \$14,250,000 (\$4,750,000 - \$5,750,000 per acre)					
K	616 S Salisbury Street	0.52	Feb-14	\$1,730,000	\$3,326,923
	951 S Saunders St	2.88	Jan-15	\$151,000	\$52,431
	612-618 S West St	0.53	Nov-14 to Jan-15	\$757,500	\$1,429,245
Site K Preliminary Value Estimate: \$4,250,000 - \$6,000,000 (\$1,250,000 - \$1,750,000 per acre)					
L	616 S Salisbury Street	0.52	Feb-14	\$1,730,000	\$3,326,923
	555 Fayetteville St	1.95	Mar-14	\$6,300,000	\$3,230,769
Site L Preliminary Value Estimate: \$4,250,000 - \$6,500,000 (\$2,000,000 - \$3,000,000 per acre)					