

COUNCIL MINUTES

The City Council of the City of Raleigh met in a lunch work session at 11:30 a.m. on Tuesday, March 21, 2017 in Room 305 of the Raleigh Municipal Building, Avery C. Upchurch Government Complex, 222 West Hargett Street, Raleigh, North Carolina, with the following present:

Mayor Nancy McFarlane
Mayor Pro Tem Kay C. Crowder
Councilor Mary-Ann Baldwin
Councilor Corey D. Branch
Councilor David N. Cox (arrived late)
Councilor Bonner Gaylord
Councilor Russ Stephenson
Councilor Richard A. "Dickie" Thompson

These are summary minutes unless otherwise indicated.

Mayor McFarlane called the meeting to order at 11:30 a.m.

City Manager Ruffin Hall gave a brief overview of the items on the agenda and indicated the purpose is to receive feedback and guidance from the Council.

The following items were discussed.

CITY PLAZA – MAINTENANCE AND FUNCTION CONCERNS – INFORMATION RECEIVED – HELD FOR FURTHER DISCUSSION

Assistant Planning Director Roberta Fox presented the following information via PowerPoint, outlined as follows:

City Plaza Renovations

History

- In 2009 the City Plaza was constructed within a City easement over a parking garage and land owned by Highwoods Realty Limited Partnership
 - Limits load capacity
 - Requires close coordination between property owner and multiple departments within the City of Raleigh
- The city easement is for use as a public space. City plaza was designed to create a large public venue for events, festivals and performances
- The city has an existing agreement with the owner of One City Plaza, which is currently Highwoods Realty Limited Partnership
 - Allows easement to city for the plaza

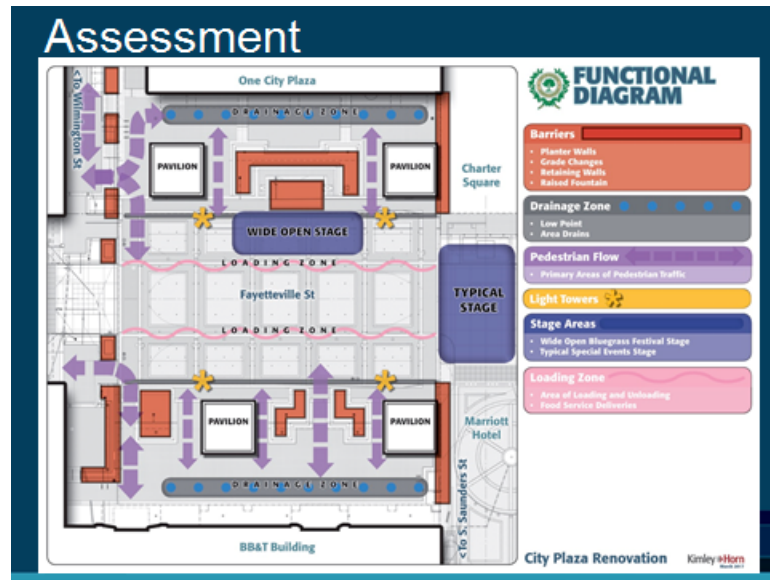
- Allows city to program the space
- Highwoods also owns One City Plaza adjacent to city plaza
- Allows for regular maintenance and repair of city plaza
- May require an amendment for any plans that change the current design

Management of the Plaza

	Transportation: Street Crew & Team Downtown Raleigh	PC & CR	Facilities and Operations	Office of Emergency Mgt. & Special Events	Convention Center	Downtown Raleigh Alliance
Cleanliness, & storage of furniture	X					(X)
Repair and purchase of furniture						(X)
Planter beds and landscaping	X	X				
Fountain, decorative bollards, light towers			X			
Permitting office and events coordination				X		
Irrigation		X				
Handscape and Pavers	X					
Plaza Programming			X	X	X	(X)
Electrical panels and controls, water distribution, electrical distribution, lighting			X			

Plaza Programming

- City Plaza is often used for street festivals, concerts and the season events like the Downtown Farmer’s Market
- Since opening in 2009, the city has steadily increased usage of the plaza
- In 2016, the City of Raleigh had 86 events with close to a million visitors
- Programming of the plaza is shared between multiple city agencies
- In June 2015, the city was approached by Highwoods Properties about making modifications to city plaza to address pedestrian flow and maintenance concerns.
- The city started a study of City Plaza in late 2016 to gauge access usage, maintenance concerns and design options.



Option 1 – Repair Work

- Paving
 - Percentage of replacement needed: ± 25%
- Fountain
- Walls
- Lighting & Bollards
- Landscape
- Expansion Joints
- City Plaza Agreement

- Approval is not required from the owner of One City Plaza for any existing design repairs or in-kind replacement.

Option 2 – Repairs + Programing Changes

- Paving
 - Percentage of replacement needed: $\pm 25\%$
- Fountain
- Walls
- Lighting & Bollards
- Landscape
- Expansion Joints
- Programming Area #1
 - Fountain Removal
 - Shade Options
 - Seating
 - Surfacing Options
- Programming Area #2
 - Bike Share
 - Shade Options
 - Surfacing Options
- City Plaza Agreement
 - Requires approval from the owner of One City Plaza and may require an amendment to the City Plaza Agreement.

Option 3 – Plaza Redesign

- Planter Walls and Structures
 - Planter walls can be repaired, modified, or removed.
 - If repaired, all skate stops would need replacement and all joints re-pointing.
- Fountain
 - Fountain jets need replacement or repair.
 - Below grade equipment can be salvaged and reused.
 - Fountain can either be repaired, modified, or removed.
- Lawn & Landscape
 - Majority of the current plant material needs replacement.
 - There have been requests for a lawn area.
- Site Lighting
 - Light tower LED replacement.
 - Current bollards can all be repaired.
 - Decorative overhead lighting is desired.
- Site Furniture
 - Update current site furniture to improve functionality.
 - New colorful furniture to add interest.

- Paving
 - Existing pavers are failing in many locations.
 - Replace existing pavers with new pavers in a more durable paving pattern.
- Shade
 - New shade structures to improve comfort.
- City Plaza Agreement
 - Changes to City Plaza will require an amendment to the existing agreement.

Quick Fixes

- Fountain
- Furniture
- Parking

Cost Estimate Summary

Option 1 – Repair Work	\$1,200,000.00
Option 2 – Repairs + Program Changes	\$2,375,000.00
Option 3 – Plaza Redesign	\$4,400,000.00

- Project currently has \$550,000.00 allocated from existing and future budget items
- Budget Office has identified multiple funding scenarios for each option
- Existing budget can accommodate for furniture quick fix
- Portion of existing funding will need to be applied to design fees
- Potential for cost sharing opportunities
- Charter Square Tower 2 construction and impact on project timing

Next Steps

- Solicit feedback from Council on preferred level of intervention
- Proceed with quick fixes
 - Request for loading zone
 - Fountain repair
 - Purchase of furniture

Engineering Services Director Richard Kelly talked about issues surrounding the Plaza fountain's operation and maintenance stating when the fountain was shut down for winterization it was discovered all 12 diverters needed replacement at a cost of nearly \$12,000. He also noted that 4 stainless steel plates were stolen while the fountain was shut down and those had to be custom made to replace. He stated the current fountain has been in operation for 8 years, so certain repairs are inevitable. He stated staff is committed to making the necessary repairs to keep the fountain going; however, if the plaza was redesigned and the fountain removed it would not be an issue.

Ms. Fox pointed out Moore Square's new design includes a fountain.

Parking Administrator Gordon Dash talked about how the proposed commercial loading zone would service the 4 pavilions. He noted there are already two 15-minute parking spaces in front of the Sheraton, and pointed out additional nearby parking spaces available for conversion to commercial loading zones.

Discussion took place regarding truck traffic on the plaza accessing the loading zones and how that may affect loadbearing limits for the underground garage.

Emergency Management and Special Events Manager Derrick Remer, in response to questions, talked about additional event spaces in and around Moore Square as well as issues regarding the frequent closing of City Plaza for events. Ms. Baldwin questioned whether the weekly farmers market could fit in the space currently occupied by the fountain with Mr. Remer indicating that may be possible.

Discussion took place regarding the timeframe for the Plaza repairs and redesign. The discussion also included optional uses for the space currently occupied by the fountain.

Mr. Branch questioned how much of the fees cover maintenance with Mr. Remer responding the \$250 fee for renting the Plaza are applied more toward required staff to cover the event. Ms. Baldwin pointed out the reason for the affordable fee structure is to encourage public use with Mrs. Crowder and Mr. Branch both suggesting staff look at a more scalable fee structure based on the type of event.

Mr. Cox arrived at the meeting at 12:10 p.m.

Discussion took place regarding the current fee structure as well as which is the best option for future plaza use with Mrs. Crowder expressing her belief that \$4 million is way too much money to spend for a redesign.

Engineering Services Director Kelly talked about the merits of Option 2 versus Option 3 with City Manager Hall reiterating Option 3 involves changing the entire Plaza's surface, layout, etc.

Mayor McFarlane and Mr. Branch questioned the repair cycles for the pavers, expansion joints, etc. with Mr. Kelly responding the current repair cycle is about 10 years; however, under Option 3, the type of pavers used would require a 15 to 20 year repair cycle.

Mr. Branch questioned the start of construction on the proposed Charter 2 building with Assistant Planning Director Fox responding construction is scheduled to begin in November 2017 with Associate City Attorney Brandon Pool pointing out the option on the property expires at the end of December 2017.

Ms. Baldwin questioned whether staff considered removing any of the pavilions with Ms. Fox responding in the negative and Mr. Poole pointing out Highwoods Properties owns the pavilions as part of the Plaza Agreement.

Brief discussion took place regarding a public/private partnership option to finance Plaza repairs and/or redesign.

Mr. Stephenson questioned whether there was new interest in ground floor activation on the Highwoods side of the plaza with Ms. Fox responding in the affirmative. Mr. Stephenson questioned whether there was similar interest on the BB&T side of the plaza with Ms. Fox responding Staff had not yet been approached by BB&T.

Mr. Stephenson talked about the plaza's future uses indicating he favors Option 2 and questioned possible funding options with City Manager Hall responding the Budget Office is looking at options including bonds, debt consideration, etc.; however, those options would depend on the Council dictates as to the level of priority given to the project. Discussion took place regarding funding options with Ms. Baldwin pointing out Options 1 and 2 offer a short term solution for the plaza whereas Option 3 offers a long term solution.

Mayor McFarlane talked about how future use of the BB&T Building's ground floor may affect future Plaza designs with Mr. Gaylord pointing out the current Plaza was designed for less use than the current capacity and indicated he would like to some public input on the various options.

City Manager Hall indicated funding options could be part of the upcoming budget process.

Mr. Thompson questioned whether there was a safety issue regarding the Plaza's condition with Mr. Hall responding in the negative and Ms. Baldwin indicating the issue is more about aesthetics. She pointed out the Plaza was supposed to be the City's "living room"; however, it now looks more like a "rumpus room".

Mr. Cox suggested addressing the repairs now and have the future redesign be part of a future parks bond with City Manager Hall indicating that may depend on how the Council sets its priorities.

Mayor McFarlane indicated she would like to have discussions with officials from BB&T regarding future ground floor uses on the Plaza.

Mrs. Crowder indicating she would like to have staff look at the current fee structure for plaza space use with Special Events Manager Remer indicating staff could look at rental fees for all downtown spaces and Ms. Baldwin expressing her desire to make sure the public is not priced out of renting the spaces.

Mr. Stephenson indicated he wanted more conversation regarding tradeoffs for the various options.

Brief discussion took place regarding future locations for the seasonal skating rink.

The Council received the information.

PUBLIC/PRIVATE PARTNERSHIPS (P3) UPDATE – INFORMATION RECEIVED – HELD FOR FURTHER DISCUSSION

Mr. Branch questioned whether the plan was to have the policy apply to transportation issues or for all P3 projects with City Manager Hall responding the current plan is to apply the policy to infrastructure projects.

Transportation Director Mike Rogers summarized the following information:

**City of Raleigh Public/Private Partnership Policy
(DRAFT 3-15-17)*****Purpose***

The purpose of this policy shall be to assist City staff with determining the types of private projects that the City should consider supplementing with public funds. These agreements with private developers or other entities would facilitate the installation of improvements with public benefits above and beyond what a private party could accomplish on their own. This policy should not be used to assist with costs associated with development-related impacts or exactions.

Eligibility

Any project considered for a public/private partnership should meet at least one or more of the following weighted criteria:

1. The project is recommended in an adopted area or corridor plan. (10)
2. The project is already included in the adopted Capital Improvement Program. (10)
3. The project is within the top quartile of previous City project rankings adopted by the City Council. (10)
4. The project is located within an Economic Development area, as described in Map ED-1 in the adopted 2030 Comprehensive Plan. (5)
5. The project is consistent with City's Adopted Street Plan, as described in Map T-1 in the adopted 2030 Comprehensive Plan. (5)
6. The project is within an identified Safe Routes to School project area. (5)
7. The project would provide direct benefit to the Wake Transit Plan. (10)
8. The project is within 0.25 miles of city-funded affordable housing project. (10)
9. The project provides access to a public amenity (school, library, etc.). (10)
10. The project addresses a documented safety concern. (10)
11. The private partner offers a higher degree of financial participation. (5)
12. The project enhances the character of an area. (10)

Projects shall be scored against the criteria as weighted above. Projects with a minimum score of XX shall be considered for funding.

In no case shall the City consider a financial partnership for improvements that are necessary to mitigate a traffic or environmental impact generated by a development plan and required by either the City or by a state agency.

Funding

The City Council shall consider designating a funding source for Public/Private Partnerships on an annual basis as part of the Capital Improvement Program. This policy shall not obligate the City to enter into a partnership if funds are not sufficient to meet the proposed terms of the agreement.

The following terms shall be a starting point for developing an agreement:

- Design – The Developer shall be responsible for 100% of the costs associated with design and survey required to develop construction plans for the project.
- Permitting – The Developer shall be responsible for 100% of the costs associated with all permitting requirements necessary to initiate construction of the project.
- Right-of-way and Easements – The Developer shall be responsible for providing 100% of the right-of-way and easements necessary to construct the project.
- Construction – The City and the Developer shall each contribute 50% to the cost of the project. In no case shall the City contribute more than 50% of the cost of a project.
- Construction Administration – The Developer shall be responsible for providing for 100% of all costs associated administering the construction of the project, including any materials testing associated with construction.
- Financial – Upon the execution of the agreement, the Developer shall deposit with the City all funds necessary to cover their costs for the project as outlined above.

Approval Process

The following process will be used to advance projects for public funding partnerships.

- 1) Staff will evaluate the request from a developer to enter into a public/private partnership. The staff review will determine if the improvements requested by the developer would otherwise be required by a development-related activity, and if there is sufficient public benefit that would result from such a partnership.
- 2) If staff determines that a project has sufficient eligibility and public benefit, then staff will draft a legal agreement with terms consistent with the standard terms included in this policy. If alternate terms are proposed, the City Manager's office shall be involved with determining the adequacy and appropriateness of any alternate terms.
- 3) Once the terms have been mutually agreed to by both parties, the draft agreement shall be submitted for approval to the City Council.

- 4) In the event staff does not advance a project for Council consideration based upon the evaluation criteria or other eligibility, the applicant may appeal directly to the City Council for consideration.

Mr. Rogers talked about the proposed changes to the scoring system as well as the criteria considered. He pointed out the City has had P3 projects in the past, with Transportation Planning Manager Eric Lamb presenting the following table to talk about how 3 prior P3 projects would have been scored under the proposed policy:

OTP
Office of Transportation Planning

Application – Prior Projects

Category	Pullen Road Extension	Oak Forest Extension	Marvino Lane Extension
Area/Corridor Plan (10)	10	0	10
Adopted CIP (10)	0	0	0
Top Quartile Ranking (10)	0	0	0
ED Area (5)	5	5	5
Street Plan Consistency (5)	5	5	5
SRTS Area Project (5)	0	0	0
Wake Transit Plan Benefit (10)	10	0	0
Affordable Housing Proximity (10)	0	0	10
Public Amenity Access (10)	10	10	0
Safety Issue (10)	0	0	10
Favorable Financial Terms (5)	0	0	0
Character Enhancement (10)	0	0	0
Total	40	20	40

Mr. Lamb also produced the following table showing how the Highwoods Sidewalks and Oberlin Road Roundabout projects would be scored under the proposed policy:

OTP
Office of Transportation Planning

Application – Possible Projects

Category	Highwoods Sidewalks	Oberlin Roundabout
Area/Corridor Plan (10)	0	0
Adopted CIP (10)	0	0
Top Quartile Ranking (10)	0	0
ED Area (5)	5	0
Street Plan Consistency (5)	0	0
SRTS Area Project (5)	0	0
Wake Transit Plan Benefit (10)	10	10
Affordable Housing Proximity (10)	0	0
Public Amenity Access (10)	0	0
Safety Issue (10)	0	0
Favorable Financial Terms (5)	0	0
Character Enhancement (10)	10	10
Total	25	20

Discussion took place regarding issues involving the Oberlin Road project with Transportation Director Rogers indicating any gray area issues could be addressed as the policy is formulated. The discussion also included how Staff may process street improvement projects requests that are not part of an adopted plan.

Mr. Thompson expressed his belief there should be greater consideration for pedestrian safety, especially regarding the Highwoods project with Mr. Cox pointing out there are currently no sidewalks along Highwoods Boulevard. Mr. Branch expressed the need to look as safety issues

as part of the City's Sidewalk Plan. Discussion took place regarding subjective versus objective criteria considered including crash patterns, crime rates, etc.

Ms. Baldwin questioned whether the P3 policy would apply only to infrastructure projects or would it also be applied in economic development projects with Mr. Lamb responding the P3 policy would apply only to transportation infrastructure projects at this time. Discussion took place regarding P3 options for other projects.

Discussion took place regarding the proposed scoring system with Mr. Lamb stating the suggested scoring was based on a 100 point system. Mr. Cox questioned whether this scoring system could be applied to all sidewalk projects with Mr. Lamb responding there is already a scoring system in place for sidewalk projects.

City Manager Hall talked about future options for future reports on this item including future Council meeting agendas, referral to committee, additional work sessions, etc.

Mr. Cox questioned whether staff received any feedback from stakeholders with Mr. Lamb indicating this today's meeting is the first time Staff has presented a draft of the policy. Both Mr. Cox and Mr. Stephenson indicated they would like to get outside input before moving forward.

Mr. Branch questioned what the minimum score would be for a project to move forward with Mr. Lamb responding Council could determine the minimum score and Mr. Rogers pointing out the average projects score would be low in general; therefore, the Council could set a low score threshold. In response to questions, Mr. Rogers stated if multiple projects meet the scoring criteria, then the projects would be processed on a first-come-first-serve basis based on available funding.

Discussion took place regarding funding for the Pullen Road and Marvino Lane extension projects.

Mr. Cox pointed out the issue with the P3 proposal for the Highwoods project is easement acquisition. He stated he had discussions with Highwoods and stated they were reluctant to commit to right-of-way dedication as they could not determine the sidewalk's impact. Mr. Cox indicated Highwoods wanted to see a preliminary design to get a better understanding of the sidewalk's impact with Mr. Lamb responding the right-of-way easement is based on each property owner and stated the Property Owners Association does not have the authority to negotiate on behalf of the individual property owners. Mr. Lamb indicated Staff needs a better idea from the property owners with regard to right-of-way dedication for the sidewalks.

Mrs. Crowder indicated she wanted to see more discussion regarding funding for P3 projects when other projects remain on the list. City Manager Hall indicated projects on the list are based on the Council's budget priorities and the list can change.

The Council received the information.

ADJOURNMENT

There being no further business, Mayor McFarlane announced the meeting adjourned at 12:55 p.m.

Ralph L. Puccini
Assistant Deputy Clerk