

# CITY MANAGER'S WEEKLY REPORT

raleighnc.gov



CITY OF  
**Raleigh**  
MANAGER'S  
OFFICE

Issue 2019-03

January 18, 2019

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### City Offices Closed in Observance of Martin Luther King Jr. Day

City offices will be **closed** on **Monday, January 21** in observance of the **Martin Luther King Jr.** holiday.

### Regular Council Meeting Tuesday, January 22; Lunch Work Session at 11:30

Council will meet in regular work session at **11:30 A.M.** in the **Council Chamber**. Please note the agenda for the lunch work session is included with the regular meeting agenda and may be accessed via the BoardDocs electronic agenda system:

<http://boarddocs.com/nc/raleigh/board.nsf>

The **regular** Council meeting begins at **1:00 P.M.**

**Reminder:** If there is an item you would like to pull from the consent agenda for further discussion, please send an e-mail to [mayorstaff@raleighnc.gov](mailto:mayorstaff@raleighnc.gov) by 11 A.M. on the day of the meeting.

## INFORMATION:

### Hillside Development Manual for Mixed-Use and Commercial Projects

Staff Resource: Joe Michael, City Planning, 996-4639, [joe.michael@raleighnc.gov](mailto:joe.michael@raleighnc.gov)

Mark Holland, City Planning, 996-2625, [mark.holland@raleighnc.gov](mailto:mark.holland@raleighnc.gov)

The Planning Department is under contract with Code Studio, LLC, as the prime consultant for this project. Code Studio has completed analysis and a preliminary draft of the manual for public review. A targeted

stakeholder outreach meeting is scheduled for the evening of January 31, where staff will present and review the first draft. The draft document will be made available online for a 30-day period of public review and comment, followed by an open public meeting scheduled for March 27.

*(No attachment)*

### Infill Housing Study

*Staff Resource: Joe Michael, City Planning, 996-4639, [joe.michael@raleighnc.gov](mailto:joe.michael@raleighnc.gov)*

*Mark Holland, City Planning, 996-2625, [mark.holland@raleighnc.gov](mailto:mark.holland@raleighnc.gov)*

The Planning Department is also under contract with Code Studio, LLC, as the prime consultant for this project. Code Studio and staff have completed initial work and are preparing materials for a significant public engagement process. The engagement process includes an online survey followed by a public forum, and CAC presentations (as requested). Staff presented the project scope and timeline to the RCAC in November, which requested the survey be made available after the holidays. Staff anticipates the survey to be posted online by end of January. The survey will be available for a 30-day commenting period.

*(No attachment)*

### Weekly Digest of Special Events

*Staff Resource: Derrick Remer, Special Events Office, 996-2200, [derrick.remer@raleighnc.gov](mailto:derrick.remer@raleighnc.gov)*

Included with the *Weekly Report* packet is the special events digest for the upcoming week.

*(Attachment)*

## Council Member Follow Up Items

### Follow Up from the December 4, 2018 City Council Meeting

#### Target Areas for Economic Development Map in the Comprehensive Plan

Staff Resource: Bynum Walter, City Planning, 996-2178, [bynum.walter@raleighnc.gov](mailto:bynum.walter@raleighnc.gov)

On December 4, 2018, City Council requested staff to analyze the impact of expanding the Target Areas for Economic Development Map in the Comprehensive Plan to include parcels adjacent to the boundary line when it is located in the right-of-way. Included with the Weekly Report materials is a staff memorandum that details the methodology of the exercise and the findings for City Council consideration.

(Attachment)

### Follow Up from the January 8, 2019 City Council Meeting

#### Convention Center Utilization (Council Member Cox)

Staff Resource: Hazel Cockram, RCC, 996-8521, [hazel.cockram@raleighnc.gov](mailto:hazel.cockram@raleighnc.gov)

During the meeting Council requested staff to provide information related to current utilization of the Raleigh Convention Center.

The Raleigh Convention Center (RCC) opened in September 2008. It is comprised of a 32,617 square foot ballroom that can be divided into 3 separate rentable spaces; 150,000 square foot exhibit hall that can be also be divided into 3 separate rentable spaces; and a total of 20 meeting rooms.

Jones Lang LaSalle (JLL) addressed the optimization of the use of the RCC during a presentation to Council on October 16, 2018. Optimizing the use of space is an art as it marries client needs with hotel room inventory, potential Greater Raleigh Convention and Visitor Bureau monetary support, and available space at the RCC. Each client has different needs for different types of space; therefore, each space has a different utilization. For example, youth sporting events can attract thousands of participants and attendees and will often just use the exhibit hall while smaller user conferences use the meeting rooms and ballroom. The sales team attempts to layer multiple groups with differing use needs to optimize the Center's capabilities. Because of the constraints of the existing hotel room inventory, staff is limited in its ability to host multiple simultaneous events when each group requires significant room nights.

JLL included a summary of RCC utilization in the Wake County Destination Strategic Plan issued August 16, 2018. JLL analyzed three fiscal years of the RCC meeting and tradeshow space and determined that, on average, facility total occupancy is typically around 50% per year. Utilization is defined as the amount of square footage used within the square footage available. An excerpt from the report which graphically depicts utilization is included with the *Weekly Report* materials.

In addition, JLL studied the meeting and exhibit hall occupancy to understand how the spaces were being used. The RCC ballroom was the most in-demand space across all fiscal years studied, with a three-year utilization average of 55%, primarily due to the flexibility to be used in conjunction with multi-day events or a one-night event. Meeting rooms were the lowest utilized spaces (36%), because these typically are used in conjunction with larger events that use more hotel rooms (conferences/conventions) while the exhibit halls were just slightly behind the ballroom at 45%. Given the current limits associated with hotel room inventory, layering larger events and attracting additional citywide events becomes more difficult. In lieu of such hotel inventory, the cost of transportation becomes a significant factor for event planners, putting conference synergy at risk. Event planners therefore become more inclined to select a city that meets both facility and hotel needs.

In FY2017, RCC hosted 248 events in total, with 57 events being “hotel room-generating” and achieving a total building utilization of 50%. This was the best performing year, in terms of room night generation and total building utilization, in the three fiscal years studied. FY2017 had fewer total events than the two prior fiscal years. This indicates that the space was used most efficiently in FY2017, and total number of events is not on its own an indicator for best utilization. FY2017 also produced the most usage for the RCC with over 87,000 hotel room-nights. Not only did the joint sales staff outperform previous years in terms of utilization and space efficiency, the joint sales team also drove the most overnight room-generating events into the building.

JLL is suggesting that the ability to have more flexibility in use and set-up options for the exhibit hall by converting a portion of the exhibit hall into a ballroom space or by expansion and future renovation will relate to higher utilization ability. Such changes will improve the ability to attract multiple, simultaneous citywide events (more than 1,500 hotel room nights on peak).

In 2014, PricewaterhouseCoopers studied the practical capacity of convention centers and determined that “industry-wide, the ‘practical’ maximum occupancy rate is approximately 70% and the ‘efficient’ range is considered to be approximately 50 to 60%. Occupancy levels less than 50% generally suggest the existence of marketable opportunities or open dates.”

Considering that overall RCC occupancy in FY2017 was 50%, there is opportunity to optimize the RCC current occupancy with a set goal of 70%. While the RCC has been busy with over 200 events each year, the other important consideration is the achievable and desirable mix of business, not just numbers of events.

*(Attachment)*

# Special Events Weekly Digest

Friday, January 18 – Thursday, January 24

City of Raleigh Special Events Office  
[specialevents@raleighnc.gov](mailto:specialevents@raleighnc.gov) | (919) 996-2200 | [www.raleighnc.gov/specialevents](http://www.raleighnc.gov/specialevents)

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## ***Permitted Special Events***

### **Martin Luther King, Jr. Memorial March**

Downtown Raleigh

Monday, January 21

Event Time: 9:50am - 12:00pm

Associated Road Closures: Edenton Street between Salisbury Street and Wilmington Street will be closed from 9:50am until 12:00pm. Roads along the march route will be closed from 10:50am until 12:00pm. Note that all cross-streets one block in each direction will be detoured and see below for turn by turn details:

Start at Edenton Street between Salisbury Street and Wilmington Street heading west; Left onto Salisbury Street; Left onto Morgan Street; Right onto Fayetteville Street; Right onto Lenoir Street; Left onto Salisbury Street; Left onto South Street; Right onto Duke Energy Center property for disassembly

## ***Other Events This Weekend***

### **Love the Summer Luau**

Friday, January 18

Peach Road Neighborhood Center

### **Hurricanes vs. Senators**

Friday, January 18

PNC Arena

### **The Music of Billy Joel – North Carolina Symphony Pops Series**

Friday, January 18 – Saturday, January 19

Meymandi Concert Hall

### **Trevor Noah**

Saturday, January 19

PNC Arena

### **City of Oaks Challenge**

Saturday, January 19 – Monday, January 21

Raleigh Convention Center

### **Triangle Chess Championship**

Sunday, January 20

Raleigh Convention Center

### **Bill Engvall**

Sunday, January 20

Memorial Auditorium

## ***Public Resources***

**[Event Feedback Form](#)**: Tell us what you think about Raleigh events! We welcome citizen and participant feedback and encourage you to provide comments or concerns about any events regulated by the Special Events Office. We will use this helpful information in future planning.

**[Temporary Road Closures](#)**: A resource providing current information on street closures in Raleigh.

**[Online Events Calendar](#)**: View all currently scheduled events that are regulated by the City of Raleigh Special Events Office.

# Council Member Follow Up



Raleigh

## MEMO

TO: Ruffin Hall

FROM: Roberta Fox, AIA, ASLA, Assistant Planning Director  
Ray A. Aull, GISP, GIS Analyst

DEPARTMENT: City Planning

DATE: Jan 17, 2019

SUBJECT: Property "Across the Street" from Target Areas for Economic Development

Target Areas for Economic Development were introduced in the adoption of the Comprehensive Plan in 2009.

Alongside the development of the City's Economic Development Toolkit, Comprehensive Plan amendment CP-2-16 introduced specific quantitative criteria for the selection of clearly defined Target Areas for Economic Development. These criteria included focusing economic development incentives to areas with higher poverty rates, as well as areas with higher concentrations of zoning suitable for non-residential development. Comprehensive Plan amendment CP-3-17 introduced an additional criterion authorizing City Council to add "other areas deemed appropriate."

At the City Council meeting on December 4, 2018, as a result of a Petition of Citizen request, Council requested that staff estimate the impact of adding properties "across the street" from current Target Areas.

The current geography of the Economic Development Target Areas largely follows the boundaries of Census Block Groups. Generally, those boundaries fall within Right-of-Way, but occasionally they also follow streams, railroads, or other features. To estimate the impact of adding parcels "across the street", wherever the current boundary fell within street Right-of-Way, additional property within 100 feet of that boundary was selected.

Umstead Park is "across the street," but has been excluded. It comprises one parcel of 4,820 acres or 17.3% of the

	Properties		
	Current Boundary	"Across the Street"	% additional
Parcels	26,594	(2,532)	9.5%
Acres	27,768	(4,502)	33.6%

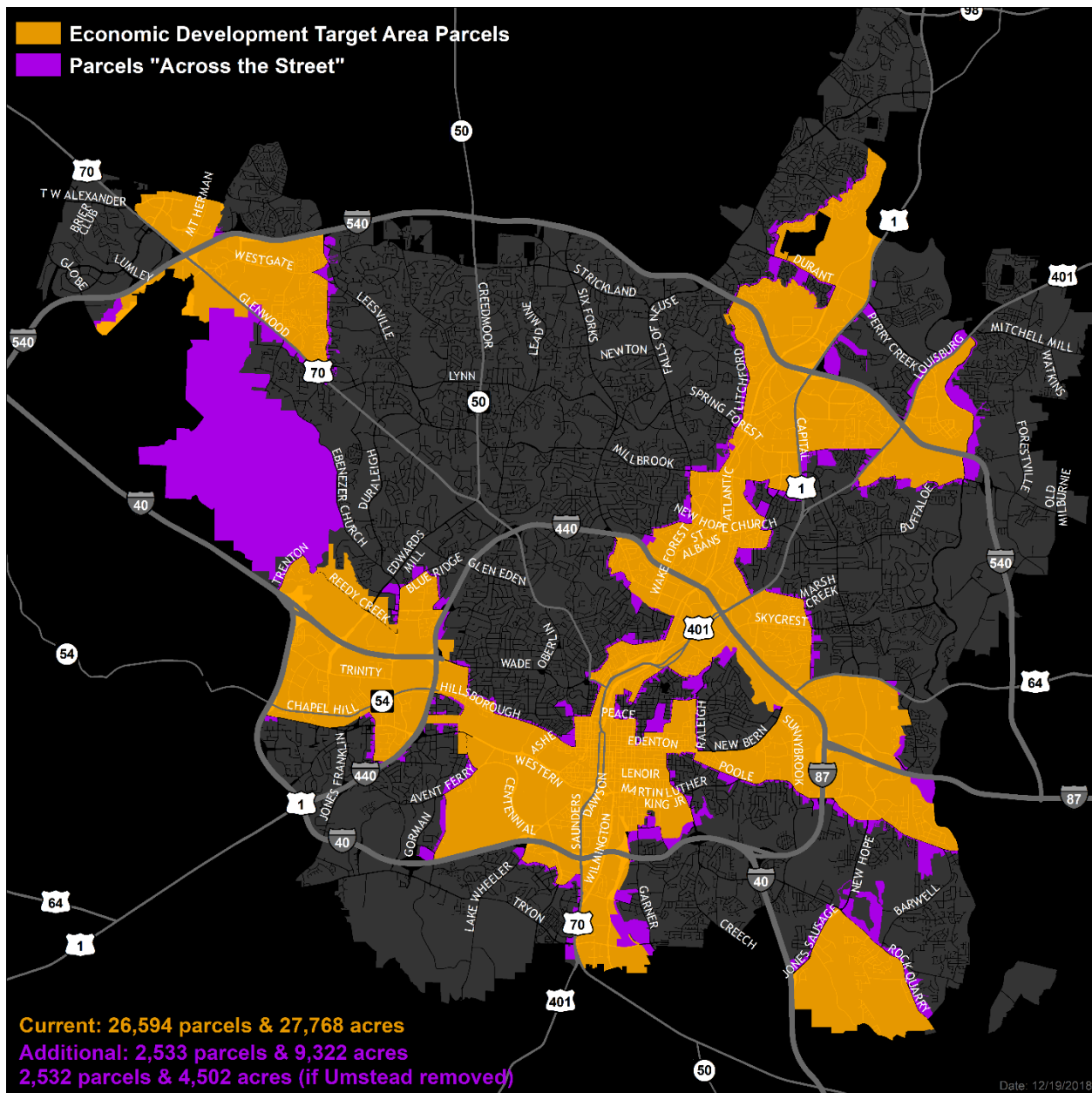
existing designated Target Areas.

Municipal Building  
222 West Hargett Street  
Raleigh, North Carolina 27601

One Exchange Plaza  
1 Exchange Plaza, Suite 1020  
Raleigh, North Carolina 27601

City of Raleigh  
Post Office Box 590 • Raleigh  
North Carolina 27602-0590  
(Mailing Address)



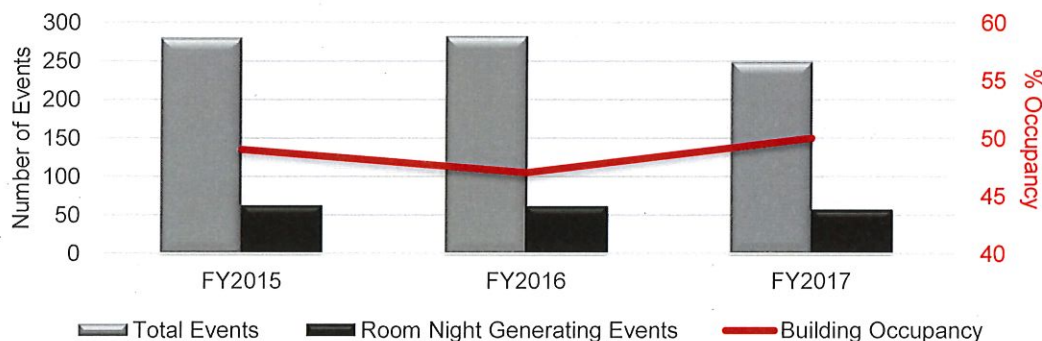


Should the Council wish to add these properties to the Target Areas for Economic Development, a Comprehensive Plan amendment would need to be initiated to do so. It should be noted that this has the consequence of creating other properties that are neighbors or across the street from the newly added properties. An alternate solution might be that the language of eligibility for certain grants could simply be amended to include properties within a certain distance of designated Target Areas.

## Excerpt from the Jones Lang Lasalle Report

In fiscal year 2017 (FY2017), RCC hosted 248 events in total, with 57 events being “hotel room-generating” and achieving a total building utilization of 50%. This was the best performing year, in terms of room night generation and total building utilization, in the three fiscal years studied. FY2017 had fewer total events than the two prior fiscal years. This indicates that the space was used most efficiently in FY2017.

### Summary of RCC Utilization FY15-FY17 by Events Occupancy



Sources: RCC & GRCVB

FY2017 also produced the most usage for the RCC with over 87,000 hotel room-nights. Not only did the joint sales staffs outperform the previous years in terms of utilization and space efficiency, the joint sales teams also drove the most overnight room-generating events into the building, amassing a more powerful direct impact from the RCC into the community. This is a trend in mix-of-business and prioritization that the RCC will need to increase to optimize the existing space, as described in the pages that follow.

### Current Event Mix and Layouts

In 2014, PricewaterhouseCoopers studied the practical capacity of convention centers and determined that “industry-wide, the ‘practical’ maximum occupancy rate is approximately 70% and the ‘efficient’ range is considered to be approximately 50 to 60%. Occupancy levels less than 50% generally suggest the existence of marketable opportunities or open dates.”

Considering that the overall RCC occupancy in FY2017 was 50%, including internal use, JLL believes there is an opportunity to optimize the RCC’s current occupancy with a goal of 70%. While the RCC has been busy with over 200 events each year, the other important consideration is the achievable and desirable mix of business. Both the maximum occupancy and optimal mix of business should be determined to set future goals for the RCC, as well as inform future planning for the renovation and expansion of the RCC.