

# CITY MANAGER'S WEEKLY REPORT

raleighnc.gov



CITY OF  
**Raleigh**  
MANAGER'S  
OFFICE

Issue 2019-30

August 9, 2019

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## INFORMATION:

**Hospitality Tax Amended Recommendation – Wake County Commission Work Session Presentation**

*Staff Resource: Jim Greene, City Manager's Office, 996-4651, [jim.greene@raleighnc.gov](mailto:jim.greene@raleighnc.gov)*

During the July 2 City Council meeting, City and County staff reviewed a brief history of the interlocal tax, provided a timeline of the process outlined by the current Interlocal Agreement with Wake County, and reviewed events that have occurred to date including stakeholder involvement and the recommendations of the City and County managers with regard to allocation of future revenue. The same presentation was presented to the Wake County elected officials during the July 8 meeting of the Wake County Board of Commissioners.

Based on feedback provided to County staff by the County Commissioners, an amended funding recommendation will be discussed during a County work session scheduled for Monday, August 12. The amended funding recommendation will be presented by Council staff, and the information is available via the published meeting agenda at <https://wake.legistar.com/Calendar.aspx> - found under the 'Agenda section' of the webpage. City Council will have opportunity to review and discuss the amended funding recommendation during the August 20 City Council meeting. Included with the *Weekly Report* materials is a version of the presentation that will be provided to the Wake County Commissioners by County staff on Monday. Additional information may be obtained by accessing the URL above.

*(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* materials is the special events digest for the upcoming week.

(Attachment)

## Council Member Follow Up Items

### General Follow Up Item

**Residential Infill Development Study**

Staff Resource: Roger Waldon, City Planning, 996-2682, [roger.waldon@raleighnc.gov](mailto:roger.waldon@raleighnc.gov)

The most recent Quarterly Update on City Planning Initiatives shared with City Council was published in the *City Manager's Weekly Report*, Issue 2019-28 (July 26). Following publication staff received Council comment regarding the status of the Residential Infill Study. The following information is being provided in response to the Council comment.

As Council is aware, the Department of City Planning is currently working on two studies that will provide guidance and recommendations for changes to the Unified Development Ordinance. The first study, *Guidelines for Hillside and Sloped-Site Development in Mixed Use Districts*, is in the final stages of work and will be ready for Council review this fall. The second is the *Residential Infill Development Study*. The Infill Study is releasing a project website and community survey next week, along with commencement of work to analyze and review current regulations, existing conditions, and examples of infill developments in Raleigh as well as other communities. Community engagement initiatives are planned for September and October.

A final report with recommendations is expected to be completed in January, with options for consideration by the City Council. Included with the *Weekly Report* materials is a staff memorandum with additional details, including a project timeline and draft questions to be included in a citizen survey.

(Attachment)

# Occupancy and Prepared Food and Beverage Taxes

## Board of Commissioners Work Session

August 12, 2019



[www.wakegov.com/roomfoodtax](http://www.wakegov.com/roomfoodtax)

## Agenda

Process Overview

Updates Since July 8<sup>th</sup> Presentation

Year-End Revenue Update

Total Funding Availability vs. Commitments

Board Questions

Proposal for Consideration

Next Steps





# Interlocal Review

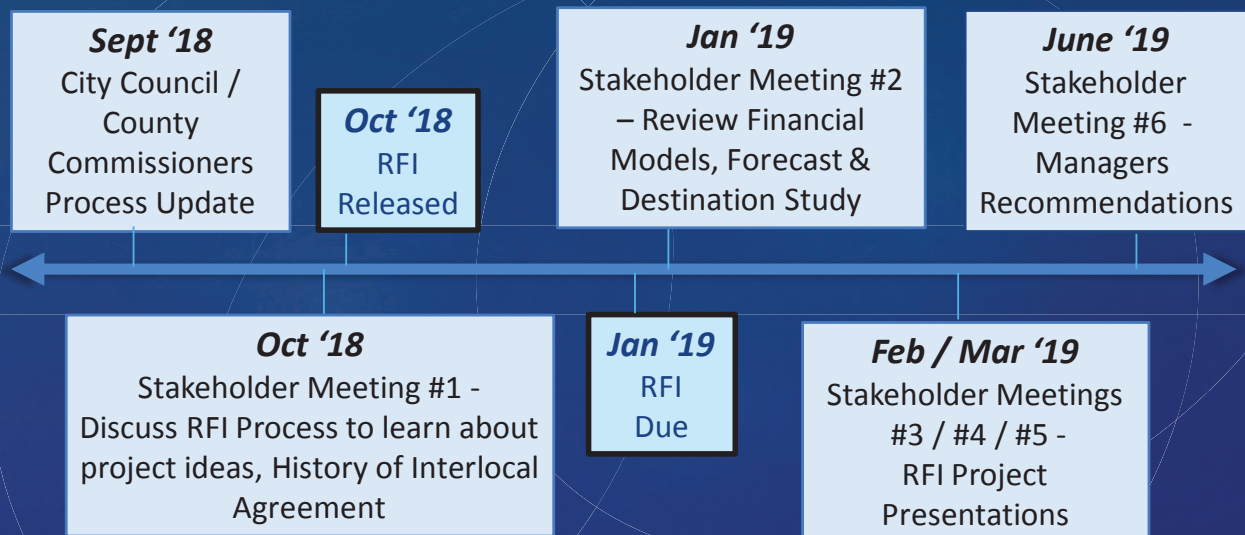
- An interlocal agreement between the City of Raleigh and Wake County along with 20 amendments articulate the oversight and uses of the revenues
- 20<sup>th</sup> Amendment calls for a public review
  - Review Financial Models
    - Current Projections and Forecast
  - Review PNC Capital Plan
  - Review Convention Center Capital Plan
  - Inclusive of stakeholders
  - Complete by January 1, 2020



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## Recap of the Process to date



In addition, Wake County created website for added transparency.





# Funding Recommendations in Summary

City and County Manager presented funding recommendations based on findings during review process

- ✓ Continue current commitments
- ✓ Support enhancement of PNC Arena
- ✓ Provide for expansion of Convention Center
- ✓ Support maintenance of Regional Facilities
- ✓ Support new investments
  - ✓ Indoor Sports Complex
  - ✓ Medium Projects
  - ✓ Small Projects

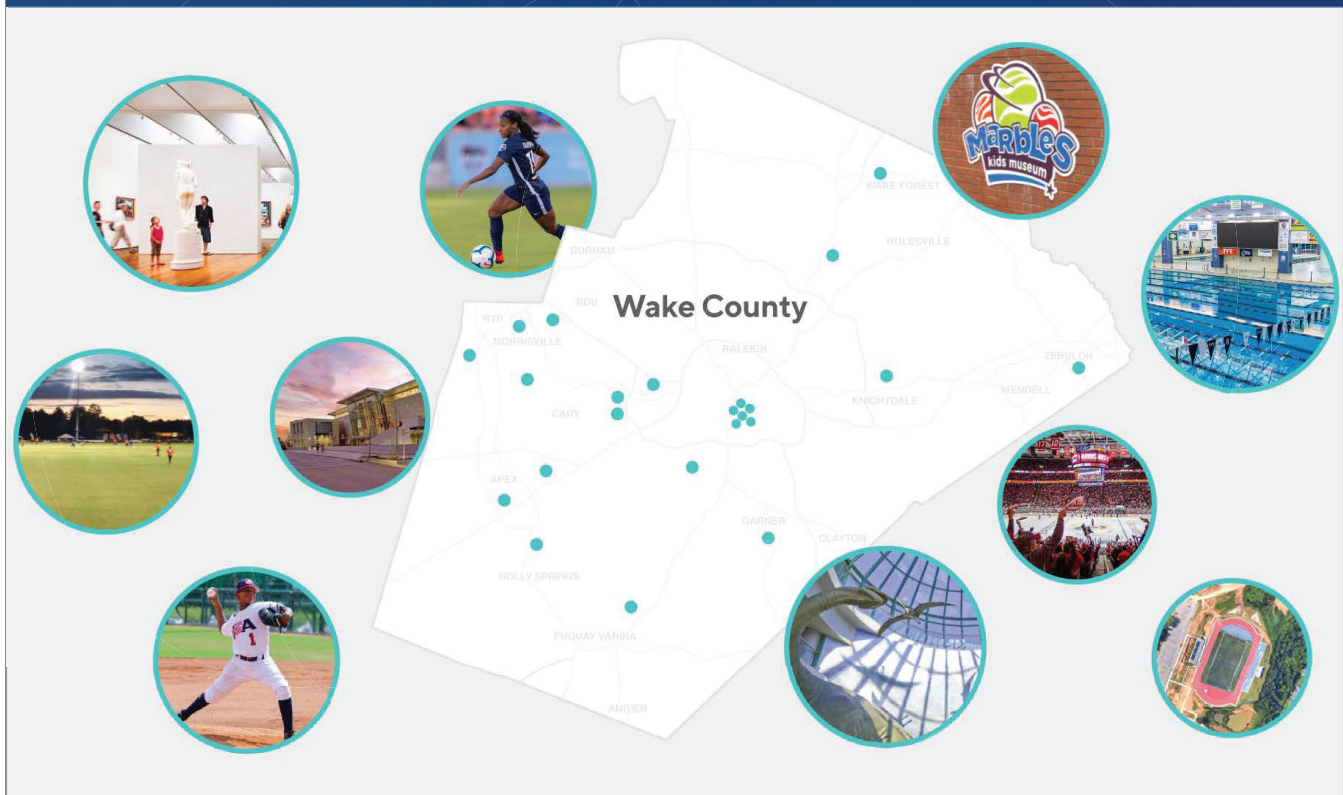


[www.wakegov.com/roomfoodtax](http://www.wakegov.com/roomfoodtax)

## Updates since July 8 presentation to Board of Commissioners...



# Projects Supported with Hospitality Taxes

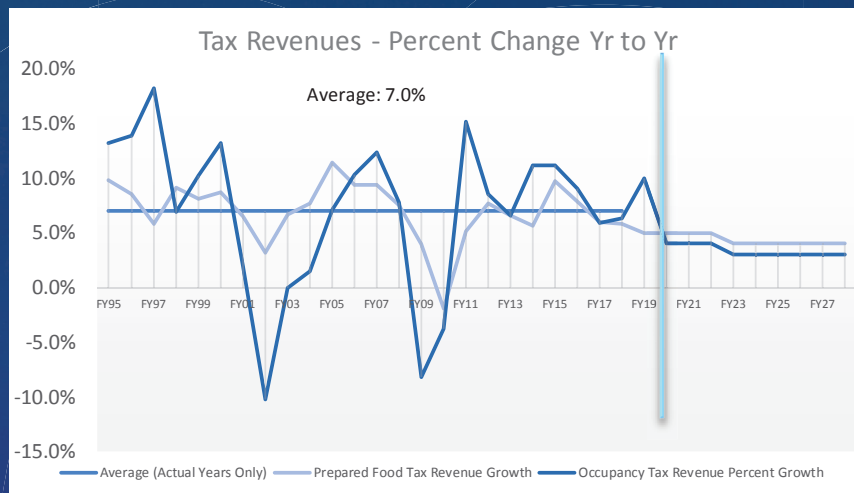


## Revenue Update

- Strong growth continued through end of fiscal year
- Received revenue figures through fiscal year end - June 30
- FY19 budgeted = \$57.315M
- FY19 estimated = \$59.570M
- FY19 actual (unaudited) = \$60.337M



# Revenue Assumptions



## Occupancy Tax

- 4% 2020 through 2022
- 3% thereafter

## Prepared Food & Beverage Tax

- 5% 2020 through 2022
- 4% thereafter



# Updated Revenue Projections

Updated FY19 year-end revenue figure will be used as base for future growth calculations

	FY20	FY21	FY22	FY23	FY24	...	FY33	FY34
Manager Recom.	\$62.3M	\$65M	\$68M	\$70.4M	\$72.9M	...	\$99.7M	\$103.2M
Year End	\$63M	\$65.9M	\$68.8M	\$71.3M	\$73.8M	...	\$100.8M	\$104.4M





# Revenue and Current Commitments

## Projected Revenues and Expenditures 2020 - 2034

Based on Managers' Recommended w/Updated Revenues

<b>Projected Revenues</b>	FY20	FY28	FY34
Food and Beverage Tax		662.6 million	
Occupancy Tax		577.5 million	
<b>Total Tax Revenue</b>		<b>1.24 billion</b>	
<b>Expenditures - Commitments</b>			
Admin and Holdbacks		89.6 million	
Convention and Visitors Bureau		145.6 million	
PNC		81.0 million	
Raleigh Convention Center		420.1 million	
Small Projects		30.0 million	
<b>Subtotal Expenditures</b>		<b>766.3 million</b>	



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# Planned Expenses

<b>Expenditures - Recommended</b>	FY20	FY28	FY34
City of Raleigh Convention Center Complex			
Land and Optimization	20 m		
Parking Debt & Capital		26.4 million	
Music Venue Debt & Capital		25.75 million	
RCC Expansion Debt & Capital		105 million	
Business Development Fund		3.6 million	
RCC Capital Maintenance		3.86 million	
PAC Capital Maintenance		7.5 million	
PNC		112 million	
Indoor Sports		33.04 million	
Cary Sports		45.0 million	
Medium Projects	42.1 million		
Planned Capacity		28.3 million	
<b>Sub-Total Expenditures - Recommended</b>		<b>426.8 million</b>	
<b>Total Expenditures</b>		<b>1.19 billion</b>	



# Board Questions and Feedback

*(Q & A is attachment in Work Session packet)*

## Key Areas:

- Consider additional funding for PNC Arena
- Evaluate medium project funding to support additional projects
- Consider broader economic development impact associated with Downtown South Project



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## Alternative Proposal for Consideration

- Based on feedback from July 8 Board Presentation and Board questions, staff has prepared an alternative proposal for consideration:
  - Provide \$9M annually for PNC Arena
  - Increase medium projects from \$42.1M to \$46.6M
  - Launch joint feasibility study with City of Raleigh to evaluate soccer stadium/entertainment complex at Downtown South
    - Establish process to complete by December 2019



# Revenue and Current Commitments

## Projected Revenues and Expenditures 2020 - 2034

Based on Revised Proposal

<b>Projected Revenues</b>	FY20	FY28	FY34
Food and Beverage Tax		662.6 million	
Occupancy Tax		577.5 million	
<b>Total Tax Revenue</b>		<b>1.24 billion</b>	
<b>Expenditures - Commitments</b>			
Admin and Holdbacks		89.6 million	
Convention and Visitors Bureau		145.6 million	
PNC		81.0 million	
Raleigh Convention Center		420.1 million	
Small Projects		30.0 million	
<b>Subtotal Expenditures</b>		<b>766.3 million</b>	



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## Alternative Proposal - Planned Expenses

<b>Expenditures - Recommended</b>	FY20	FY28	FY34
City of Raleigh Convention Center Complex			
Land and Optimization	19 m		
Parking Debt & Capital		26.4 million	
Music Venue Debt & Capital		25.75 million	
RCC Expansion Debt & Capital		105 million	
Business Development Fund		3.6 million	
RCC Capital Maintenance		3.86 million	
PAC Capital Maintenance		7.5 million	
PNC		126 million	
Indoor Sports		33.04 million	
Cary Sports		45.0 million	
Medium Projects	46.6 million		
Planned Capacity		28.3 million	
<b>Sub-Total Expenditures - Recommended</b>		<b>444.3 million</b>	
<b>Total Expenditures</b>		<b>1.21 billion</b>	





# Next Steps

Recommendation  
to Elected  
Officials at  
regularly  
scheduled July  
meetings

Vote by Elected  
Officials at regularly  
scheduled August /  
September  
meetings

July

August

September

Begin process for  
Indoor Sports  
Complex RFP  
during August /  
September

Establish  
process for  
Small and  
Medium  
Projects RFP



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## Special Events Weekly Digest

Friday, August 9 – Thursday, August 15

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

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### ***Permitted Special Events***

#### **Read, Write, Run 5K**

Berean Community Center & Route

Saturday, August 10

Event Time: 8:30am - 9:45am

Associated Road Closures: Roads will be closed from 8:15am until 9:45am. Note that cross streets will be detoured during the event, [view route here](#), and see below for turn by turn details:

Begin on Whitehall Avenue heading south; Left onto Brockton Drive; Left onto Hoyle Drive; Right onto Killcullen Drive; Left onto Pittsford Road; Left onto Tipperary Drive; Right onto Ryegate Drive; Right onto Pittsford Road; Right onto Killcullen Drive; Left onto Hoyle Drive; Right onto Brockton Drive; Right onto Whitehall Avenue to finish before intersection with E. Millbrook Road.

#### **Community Outreach**

Heath Street

Saturday, August 10

Event Time: 10:00am - 4:00pm

Associated Road Closures: Heath Street between Poole Road and Cross Street and Cross Street between Heath Street and S. Carver Street will be closed from 10:00am until 4:00pm.

#### **Margarita Madness 5K Run**

Dorothea Dix Park

Saturday, August 10

Event Time: 3:00pm - 8:00pm

Associated Road Closures: Cranmer Drive at Umstead Drive will be closed from 8:00am until 8:00pm. Roads will be closed from 2:50pm until 4:30pm to facilitate the following route:

Start at Umstead Drive/Cranmer Drive; Continue on Umstead Drive; Right onto S. Boylan Avenue; Left onto Tate Drive; Right onto Richardson Drive; Left onto Umstead Drive; Right onto Middleton Drive; Continue onto Palmer Drive; Right onto Biggs Drive; Right onto Whiteside Drive; U-turn on Whiteside Drive; Right onto Biggs Drive; Right onto Ruggles Drive; Left onto Umstead Drive; Right onto Dawkins Drive; Left onto Umstead Drive; Right onto Ruggles Drive; Left onto Biggs Drive; Right onto Palmer Drive; Left onto Cranmer Drive to Finish.

#### **Rex Sprint Triathlon**

Rex Wellness Center in Wakefield & Route

Sunday, August 11

Event Time: 7:00am - 11:30am

Associated Road Closures: Roads along the running route will be used from 7:00am until 11:30am. Note that additional roads will be impacted but not closed to traffic for the bike route. [View route maps here](#) and see below for turn by turn details of the running route:

Start on Rex Healthcare property; Head north on Tidewater Lane; Left onto Popes Creek Drive; Right onto Common Oaks Drive; Left onto Green Elm Lane; Right onto Forest Pines Drive; Enter traffic circle and take first exit onto Wakefield Plantation Drive; Right onto Canes Way; Turn around on Canes Way at Wakefield Plantation Golf Club; Return by the same route to finish at Rex Wellness Center.

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

### **[Rebelution](#)**

Friday, August 9  
Red Hat Amphitheater

### **[The Bridges of Madison County – Theatre Raleigh](#)**

Friday, August 9 – Sunday, August 11  
Kennedy Theatre

### **[Jehovah's Witnesses Convention](#)**

Friday, August 9 – Sunday, August 11  
PNC Arena

### **[Lions Park Open House Celebration](#)**

Saturday, August 10  
Lions Park

### **[Heart: Love Alive Tour](#)**

Saturday, August 10  
Coastal Credit Union Music Park at Walnut Creek

### **[Explore Dix Park: Guided Walking Tour](#)**

Sunday, August 11  
Dorothea Dix Park, Kirby Building

### **[Summer Concert Series: SWAG](#)**

Sunday, August 11  
Fletcher Park

### **[Moore Movies – Captain Marvel](#)**

Sunday, August 11  
Moore Square Park

## ***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 L Hall, City Manager

FROM: Roger Waldon, Interim Planning Director

DEPARTMENT: City Planning

DATE: August 9, 2019

SUBJECT: Residential Infill Development Study

## Background

This memorandum describes the status and next steps forward in implementation of a Residential Infill Development Study directed by the Raleigh City Council.

The Planning Department is working on two studies that will provide guidance and recommendations for changes to the Unified Development Ordinance. The first study, *Guidelines for Hillside and Sloped-Site Development in Mixed-Use Districts* is in the final stages of work, with plans to have a document for Council review in the Fall of 2019.

The *Residential Infill Development Study* involves a survey of community expectations, analysis and review of UDO regulations, existing conditions, examples of infill developments in Raleigh and other communities, community engagement initiatives, and preparation of recommendations for changes to the Unified Development Ordinance. The UDO contains standards for residential infill construction; this study will review standards and identify possible enhancements.

Consultant services provided by Code Studio, LLC, are components of both the Hillside and Sloped Site Guidelines, and the Residential Infill Study.

## Work Components and Timeframes

A project website will be placed on the City's website, with information about the study and a link to a community survey. The survey will be released next week, to give residents and stakeholders an opportunity to offer comments and opinions regarding infill development, and to prioritize their values on housing and neighborhood development. Stakeholder and community engagement will be conducted. An audit of current policies will be prepared, along with technical analysis of existing conditions and regulations. Presentations will be scheduled to update the City Council and community on progress and draft recommendations. A final report with recommendations is expected to be completed in January, with options for consideration by the City Council. A timeline for the project is attached here, along with a copy of questions for the survey that is planned to be released on August 15.

## Next Steps

The project website and survey will go live next week. A presentation to the City Council with survey and analysis results will be scheduled for October.

## Attachments

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)

## **Attachment 1: Residential Infill Project Proposed Timeline**

Raleigh Webpage Release	August 12, 2019
Survey Release	August 15, 2019 (Survey open through September, 2019)
<u>Trip #1 Consultant</u>	Mid - September 2019
<ul style="list-style-type: none"><li>- Stakeholder Outreach</li><li>- Field Work</li><li>- Debrief</li></ul>	
Policy Audit	October 2019
Technical Analysis	October 2019
<u>Trip #2 Consultant</u>	October 2019
<ul style="list-style-type: none"><li>- Presentation to City Council</li></ul>	
Presentation of Draft Recommendations	November 2019
<ul style="list-style-type: none"><li>- Stakeholders/Organizations</li><li>- Public Comment Period</li></ul>	
Adjustments / revisions	December, 2019
<u>Trip #3 Consultant</u>	Early January 2020
<ul style="list-style-type: none"><li>- Presentation to City Council</li></ul>	
Final Report	January 2020



## Attachment 2: Residential Infill Survey (New Homes, Existing Neighborhoods)

(Note: To view the manner in which this survey will appear on the project website, click here: <https://publicinput.com/4870> )

The City of Raleigh is undertaking a study to gather information and make recommendations regarding the construction of new residential houses within existing neighborhoods, something known as "infill development". The purpose of this study is to offer guidance and recommendations for possible changes to Raleigh's Unified Development Ordinance (UDO). An important part of this study is to learn community perspectives on residential infill. This survey is an initial step in the engagement process for this project. You can find information about the project and key definitions of concepts here: [PROJECT LINK](#)

1. What is the zip code of your current Raleigh residence?
2. What is the nearest intersection to your current Raleigh residence?
3. Do you have any concerns about residential infill development in Raleigh?
  - Yes
  - No (skip the next question)
4. What potential aspects of residential infill development are of concern to you? Please rank the following from the most pressing concern to the least. If it is not a concern to you, you don't have to rank it.
  - Existing viable homes are being demolished
  - Neighborhoods are becoming less affordable
  - Green spaces and tree canopy are being lost
  - Additional homes are reducing available on-street parking and increasing traffic
  - New houses with modern designs do not have the same look or feel of nearby houses
  - Houses are too big
  - Houses are too tall
  - Houses are too close together
  - New houses are built on lots that are narrower than nearby lots
  - Stormwater or run-off impacts
  - Construction disruption and impacts
  - Personal impacts (Noise, light, privacy, etc.)
  - Other (please specify in the comments)
5. Is it important for new houses to fit in with nearby houses?
  - Yes
  - No (skip the next question)

6. Which of the following characteristics make a new house fit in with nearby houses? Please rank the following from most important for fit to least important. If a characteristic isn't important, you don't have to rank it.
  - Height
  - Building Size
  - Distance from the street
  - Distance between houses
  - Maintaining similar ground elevation
  - Other (please specify in the comments)
7. Are there any benefits to residential infill development?
  - Yes
  - No (skip the next question)
8. What potential benefits of residential infill development are of most interest to you? Please rank the following from the most interesting to the least. If something doesn't interest you, you don't have to rank it.
  - Redevelopment in existing neighborhoods can minimize sprawl (city growing outward) and can use existing infrastructure
  - Replacing older homes to provide new homes with more modern amenities
  - New homes bring new families and vibrancy to neighborhoods
  - Increased variety in home styles and types
  - Other (please specify in the comments)

The following questions are used to gauge the extent to which you agree or disagree with a set of statements. To respond, move the blue dot along the line between strongly disagree and strongly agree. If you want to change your answer, just move the blue dot again. The survey will record your most recent response.

(NOTE: The following statements will be answered by moving a blue dot along a continuum that ranges from strongly disagree to strongly agree).

9. Neighborhoods should maintain a consistent look and feel over time.
10. Neighborhoods should be allowed to significantly change with changing preferences and market conditions.
11. New housing should be similar in \_overall size\_ to the existing houses in a neighborhood.
12. New housing should be similar in \_height\_ to the existing houses in a neighborhood.
13. New housing should be of any size or height as long as it meets current regulations.

14. Water runoff is a concern during construction so current regulations should be evaluated for effectiveness.
15. Water runoff is a concern after construction so regulations should be evaluated for effectiveness.
16. When redeveloping residential lots in existing neighborhoods, only minor changes to the existing ground elevation should be permitted.
17. When redeveloping residential lots in existing neighborhoods, foundation or retaining walls should be permitted to change the ground elevation of the building site.
18. It is important to preserve the existing trees on residential infill lots.
19. Exceptions to current regulations (like building height) should be available in exchange for saving existing trees on an infill lot.

The following questions ask about you and your background. This information allows us to get a sense of whom our survey has reached and helps us work toward our goal of inclusive engagement. Please note that your responses will be used solely for data collection and will be visible only to the survey administrator. These questions are optional.

20. What is your gender identity?
- Woman
  - Man
  - Non-binary
21. How old are you?
- Younger than 18
  - 18-29
  - 30-44
  - 45-64
  - 65 or older
22. What is your approximate annual household income?
- <\$12,000
  - \$12,000-\$19,999
  - \$20,000-\$30,999
  - \$31,000-\$46,999
  - \$47,000-\$69,999
  - \$70,000-\$93,999
  - \$94,000-\$117,999

- \$118,000 or more

23. What is your racial identity?
- White
  - Black
  - Asian
  - American Indian/Alaskan Native
  - Native Hawaiian/Pacific Islander
  - Hispanic/Latino/Latina
24. How did you hear about this survey?
- City of Raleigh Website
  - Social Media
  - Email
  - Mail/Postcard
  - Public Meeting
  - Other (please specify in the comments)
25. This survey gave me a good opportunity to share my perspective.
- Strongly Agree
  - Agree
  - Neither Agree nor Disagree
  - Disagree
  - Strongly Disagree

Would you like to get updates about the Residential Infill Study? Leave your email and we will be in touch!

**Name and Email**