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Greater Raleigh Central Area Plan

ODELL ASSOCIATES INC.

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AUTHOR

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Greater Raleigh Central Area
Plan C1

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GREATER RALEIGH CENTRAL AREA PLAN

Raleigh

Greater Raleigh Central Area Plan

**Prepared By The Committee For The Master Plan
Raleigh, North Carolina**

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ODELL ASSOCIATES INC.

PLANNING ARCHITECTURE ENGINEERING

Foreword

In June 1970, the initial steps were taken toward the preparation of a Master Plan for the Greater Raleigh Central Area. The plan, financed jointly by the City of Raleigh and the Downtown Advancement Committee, was executed by Odell Associates Inc., Planners, Architects, and Engineers, assisted by Traffic Consultants, Alan M. Voorhees & Associates, Inc. Hammer, Greene, Siler Associates, Inc. served as Economic Consultants.

On November 19, 1971, Hammer, Greene, Siler Associates, Inc. presented their economic report to the City of Raleigh and interested citizens. This report outlined the economic potentials of the Downtown and served as the basis for the development of the plan.

During February of 1972, eight alternate plans of the Central Area were presented. After review, a plan incorporating all of those elements considered essential to the future development of Central Raleigh was developed. The purpose of this report is to document this plan. All pertinent factors of each major element of the plan were reviewed and evaluated by the Client Committee for the Master Plan prior to approval.

During the entire planning process, the consultants produced a great deal of factual material on which the plan is based. This material has been made available to the Client Committee. No attempt has been made to include all of these documents in this report. This report is intended to summarize the highlights of the plan in a manner understandable to the public at large. The main body of the report is divided into three major sections. Section I entitled The Present outlines the basis on which the plan was executed. The individual elements, on which the overall implementation of the plan depends, are detailed in Section II entitled Recommendations. The goals and concepts are presented in Section III, The Plan. The Appendix contains economic facts pertinent to the implementation of the various recommendations of the plan.

The time and talents so generously contributed by numerous public officials and members of the business community toward making possible the development and presentation of this plan are greatly appreciated.

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I The Present

Historic Concept

The Historic 1792 Plan for the State Capital still serves as the framework for planning within the Greater Raleigh Central Area.

North Carolina's first legislative body, known as the Grand Assembly of Albemarle, was convened in 1665. For the next 125 years, the State was without a permanent seat of Government, meeting in New Bern, Wilmington, Hillsboro, Halifax, Salem, Wake Courthouse and Fayetteville.

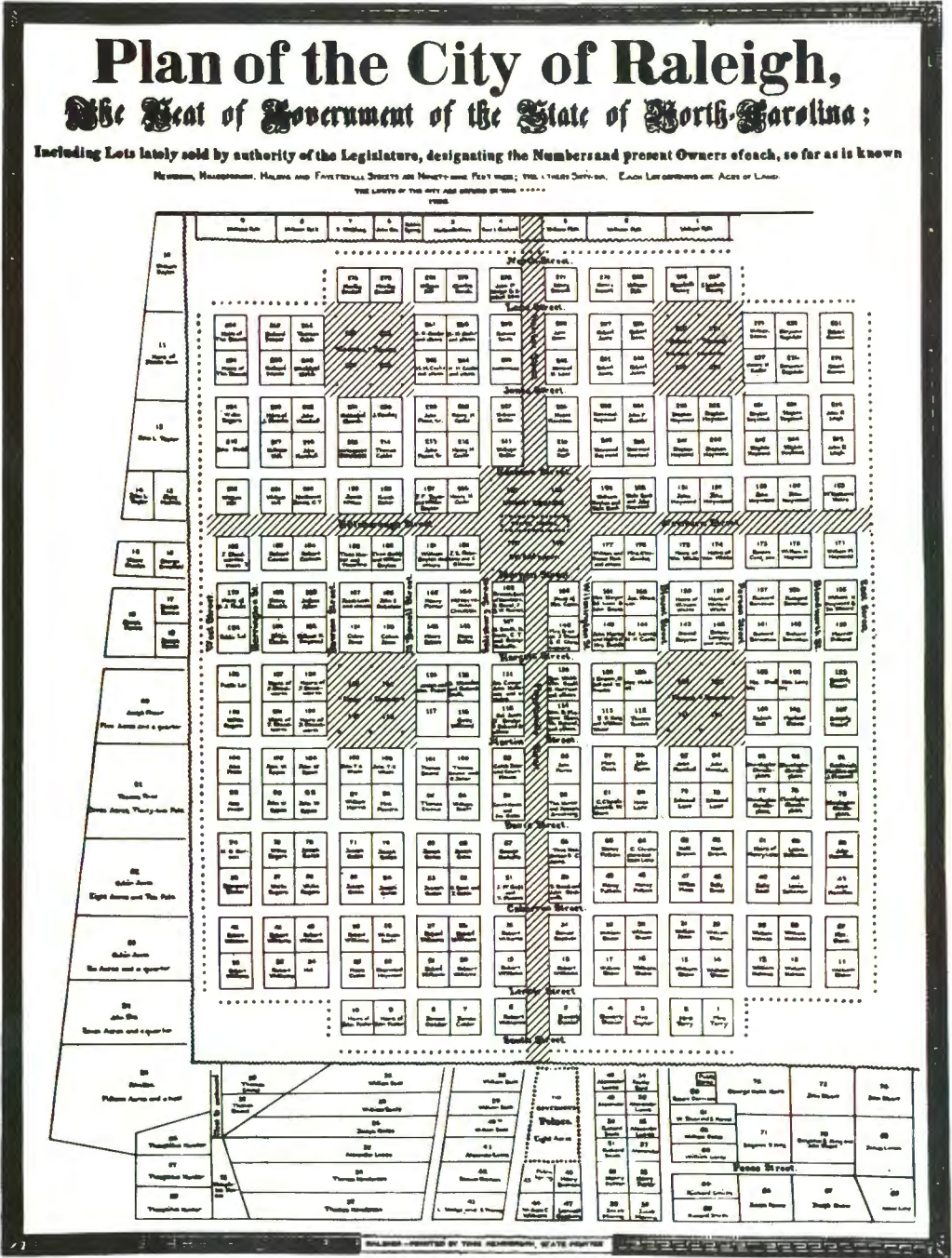
In 1791, the Assembly finally appointed a nine member commission to select a site that would become the permanent North Carolina State Capital. They selected, and subsequently purchased, a 1,000-acre tract in Wake County from Joel Lane for a price of \$2,756. The City was laid out using only 400 of the 1,000 acres purchased.

The Assembly employed William Christmas, a Senator from Franklin County, to prepare the original plan for the State Capital. The plan was ordered by a grid of streets and given focus by a central square reserved for the State Capitol Building. Surrounding this square were four smaller squares, one in each quadrant of the City. Four principal streets, 99 feet wide and flanked by half blocks, formed axes from the central square. The remaining full blocks were four acres in size. All other streets were 66 feet wide. Originally, the Governor's Palace was to stand on 8 acres at the terminus of Fayetteville Street. The State Capitol Building which stands today was completed in 1840 after the original brick structure was destroyed by fire.

Raleigh has now grown far beyond the original plan. For the most part, this development has been without planning and direction. However, the validity of the original grid plan with its 5 squares still holds today.

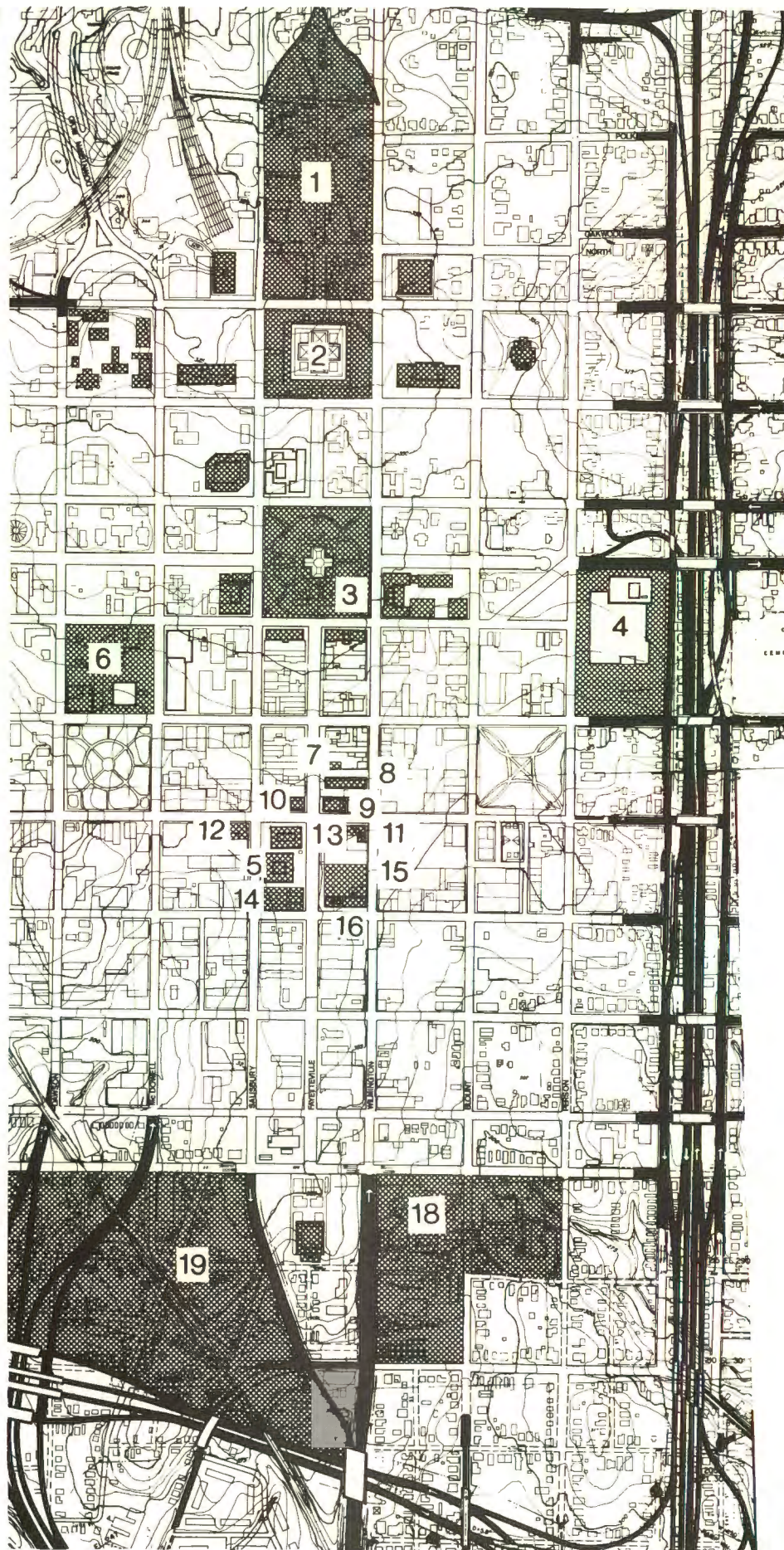


The Capitol



1792 Plan of the City of Raleigh

- 1 Proposed State Government Mall
- 2 Legislative Building
- 3 Capitol Square
- 4 Federal Building
- 5 County Courthouse
- 6 Municipal Government
- 7 Raleigh Savings and Loan
- 8 Wachovia Bank and Trust
- 9 North Carolina National Bank
- 10 First Union National Bank
- 11 First Citizens Bank and Trust
- 12 First Federal Savings & Loan
- 13 U.S. Post Office
- 14 Durham Life
- 15 Hudson-Belk
- 16 Branch Banking and Trust
- 17 Memorial Auditorium
- 18 Shaw University
- 19 Redevelopment Area



Current Development Plan

Current Development

The Central Raleigh Area has been developed extensively from the original framework by both the Governmental and private sectors.

The development of Raleigh has in many ways gone far beyond the plan prepared in 1792 for the City. The 400 acres covered by the 1792 plan now roughly correspond to the central downtown area. Through the years of growth, the framework established by the plan has undergone change. Yet even today, the 1792 plan for the City of Raleigh is clearly visible. The original center of focus for the Downtown was the State Capitol Square. As the City grew, the development along Fayetteville Street, south of Capitol Square, has established this area as the focal point of the Downtown.

The State Government soon outgrew the Capitol Building and began the development of a complex of structures immediately around the Capitol Square. Currently, the State has some 15 buildings in this area, including the Legislative Building completed in 1962.

Among recently constructed Government facilities are a major New Federal Building east of Capitol Square and a new County Courthouse Tower on Fayetteville Street. Municipal Government growth will soon require the development of additional new office space.

Municipal growth has recently been given additional direction by a Master Plan for the North Carolina Government Center which proposes a tree-lined mall flanked by office buildings extending north from the Legislative Building to Peace Street. The mall is to be terminated by a high-rise office tower.

Fayetteville Street, south of the Capitol, has emerged as the center of retail and commercial development. Among its major structures are the Raleigh Savings and Loan, Wachovia Bank and Trust, North Carolina National Bank, First Union National Bank, First-Citizens Bank and Trust, U.S. Post Office, Durham Life, First Federal Savings and Loan, Hudson-Belk Department Store, and Branch Banking and Trust. Memorial Auditorium terminates Fayetteville Street and to the east of this is Shaw University. The area directly to the west of Memorial Auditorium has been designated for urban redevelopment. A major expressway loop system has been proposed framing the Downtown to the south and east.

Revitalization Goals

The Greater Raleigh Central Area must develop a revitalization program directed toward the achievement of an attractive, thriving downtown center.

The central area of Raleigh is experiencing urban problems which are similar to those currently being faced by cities across the nation. The urban growth pattern for Raleigh has been marked by the general trend toward the emphasis of suburban development. Suburban shopping centers, malls, office parks, and motor hotels have become prominent areas for new investment. This suburban trend can be traced directly to current urban problems in such areas as land acquisition difficulties, congested traffic, lack of pedestrian amenities and the growth of urban blight.

These problems are certainly not insurmountable. However, to successfully combat the suburban trend, a comprehensive revitalization effort must be directed toward a specific series of sound planning goals. With a definite commitment of the necessary time, money and effort, the revitalization of downtown Raleigh can become a reality. The intent of this plan is to provide the revitalization goals and guidelines necessary to the realization of this identity.

To establish these goals, the primary economic character of the downtown area was identified in detail and economic guidelines were set forth for testing. Detailed economic analysis identified those sectors which offer the highest potential for revitalization efforts. Early stage development activity should be concentrated in these areas to create a firm foundation of new investment.

II Recommendations

Fayetteville Street should be reduced to two lanes of traffic. This enables the development of larger landscaped pedestrian spaces while retaining the vitalizing presence of transit service and the automobile. The pattern of the street gently curves back and forth reducing traffic speed, adding visual interest and creating a variety of small to large landscaped areas.

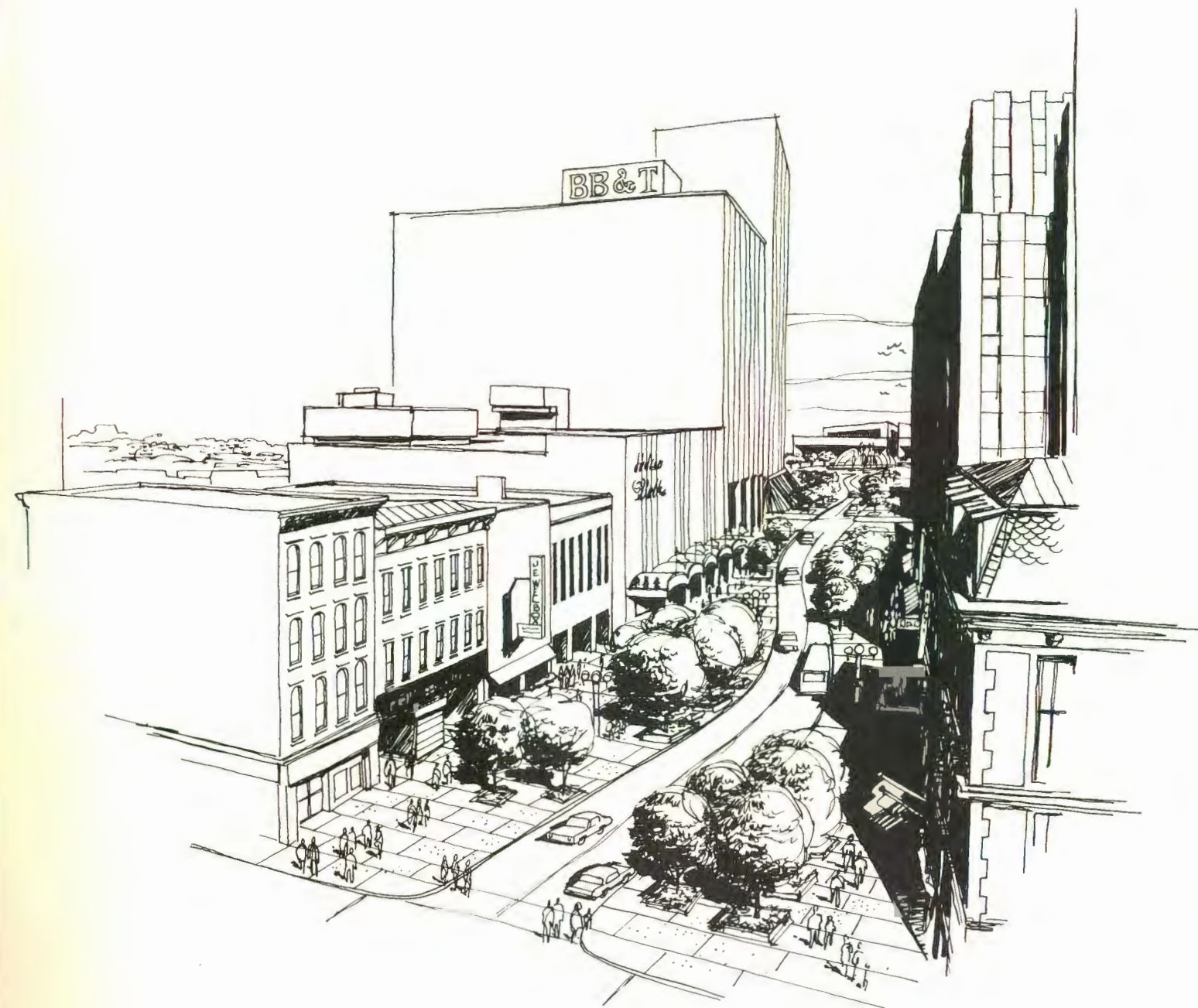
To complement landscaping numerous other pedestrian oriented amenities such as kiosks, fountains, sculpture and attractive canopies would be part of the mall fabric. All unsightly utilities should be routed underground and traffic signs and signals should be combined in an attractively designed unit.

The Fayetteville Street Mall, in turn, would combine with the recommended series of smaller landscaped malls perpendicular to Fayetteville Street and directed to short-term parking decks in the block beyond. The completed development of landscaped malls would encourage private investment in new office and retail space and would provide greatly needed open green space in the core area.

Initial cost analysis of the four blocks of the Fayetteville Mall indicates that the entire project could be realized for approximately \$875,000 excluding land cost.



Looking South on Fayetteville Street Mall from Morgan Street



View of Mall to the South

Mall Link to Parking

Parking structures should be connected to the Fayetteville Street Mall by through-block malls.

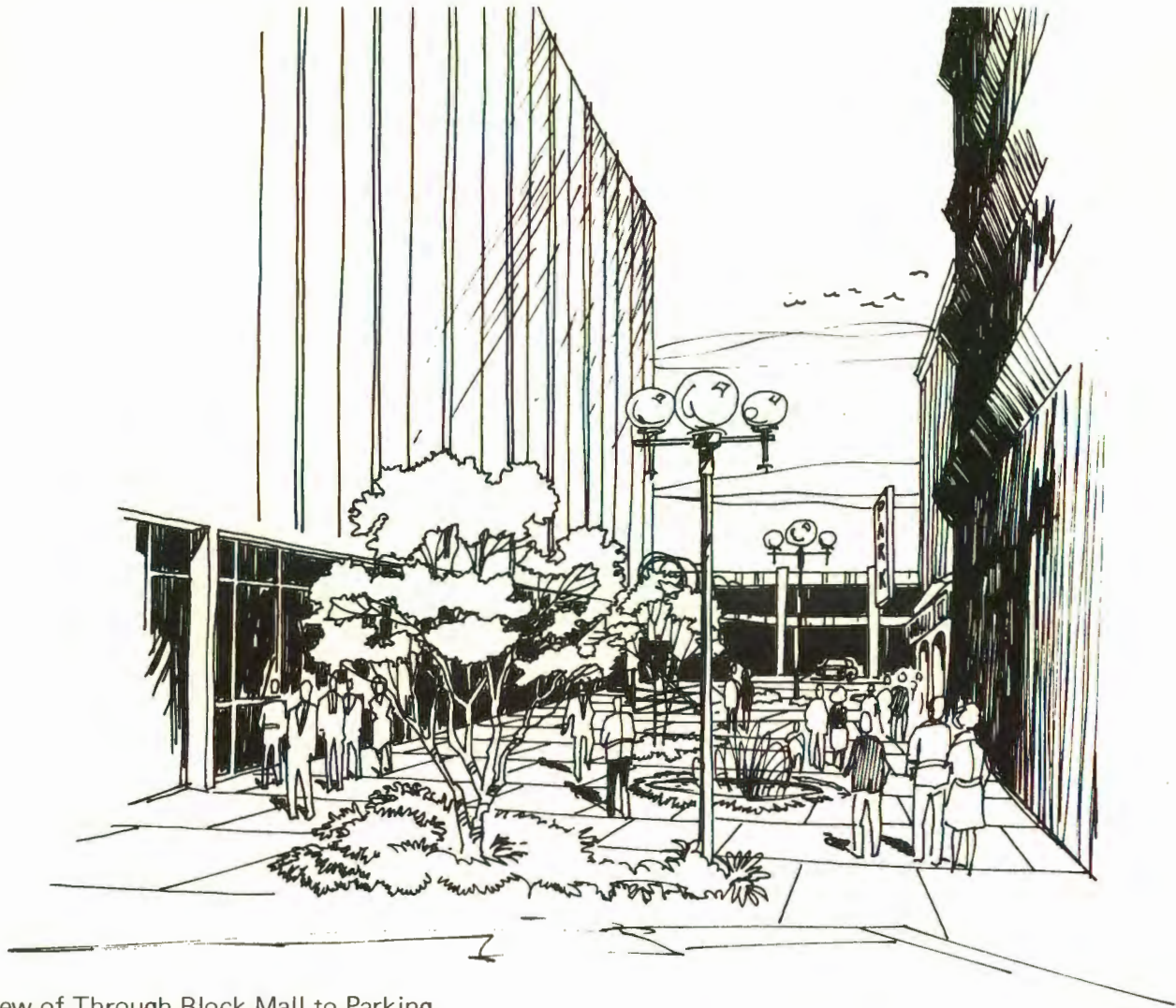
Effective revitalization of the downtown core is contingent upon providing the shopper or employee with easy access to the major office and retail core on Fayetteville Street. To do so, a pedestrian oriented parking system should be developed based on adequate off-street parking strategically located.

Short-term multi-level parking structures oriented toward the retail trade should be located in the middle of blocks fronting on Wilmington and Salisbury Streets. Retail and commercial establishments would continue to be located along the edges of these blocks to reduce the visual impact of the parking decks.

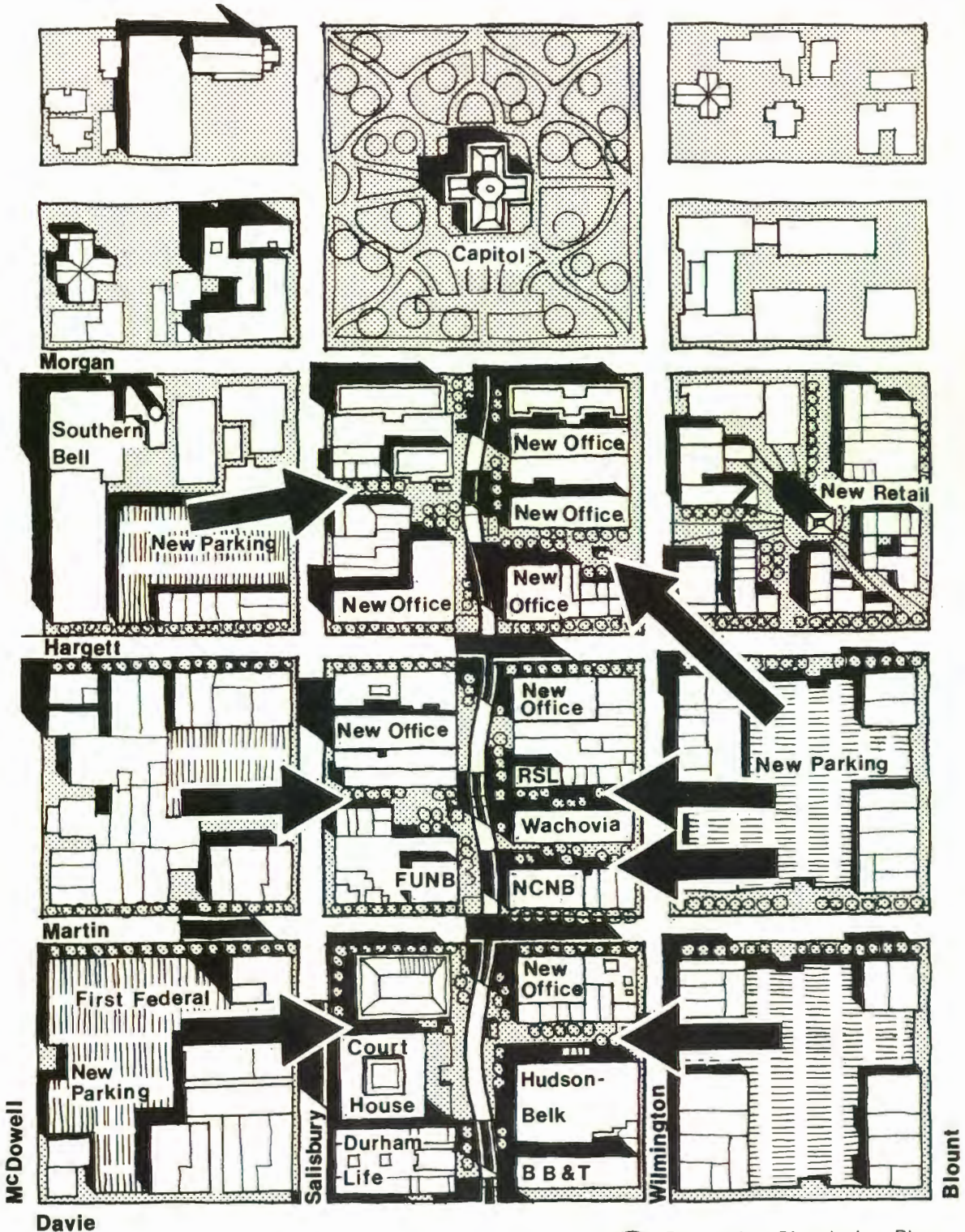
A system of through-block malls should be positioned to receive pedestrian flow directly from the parking decks and in some cases from pedestrian bridges

spanning Wilmington and Salisbury Streets. The character of space to be achieved is well exemplified by the present mall between the Wachovia and Raleigh Savings and Loan Buildings. This system of malls would function as landscaped pedestrian corridors. Fountains, kiosks, sculpture, attractive lighting, sidewalk cafes and retail displays would direct pedestrians from their cars to Fayetteville Street. Specialty retail shops, restaurants, small commercial establishments and theaters oriented to the malls would gain advantage from the flow of pedestrian traffic. The development of four new through-block malls is estimated to cost \$200,000 excluding land acquisition cost.

Long-term employee oriented parking would be located in the second and third blocks east and west of Fayetteville Street to take advantage of lower land values and therefore lower daily parking rates.



View of Through Block Mall to Parking on Wilmington Street



Pedestrian Circulation Plan

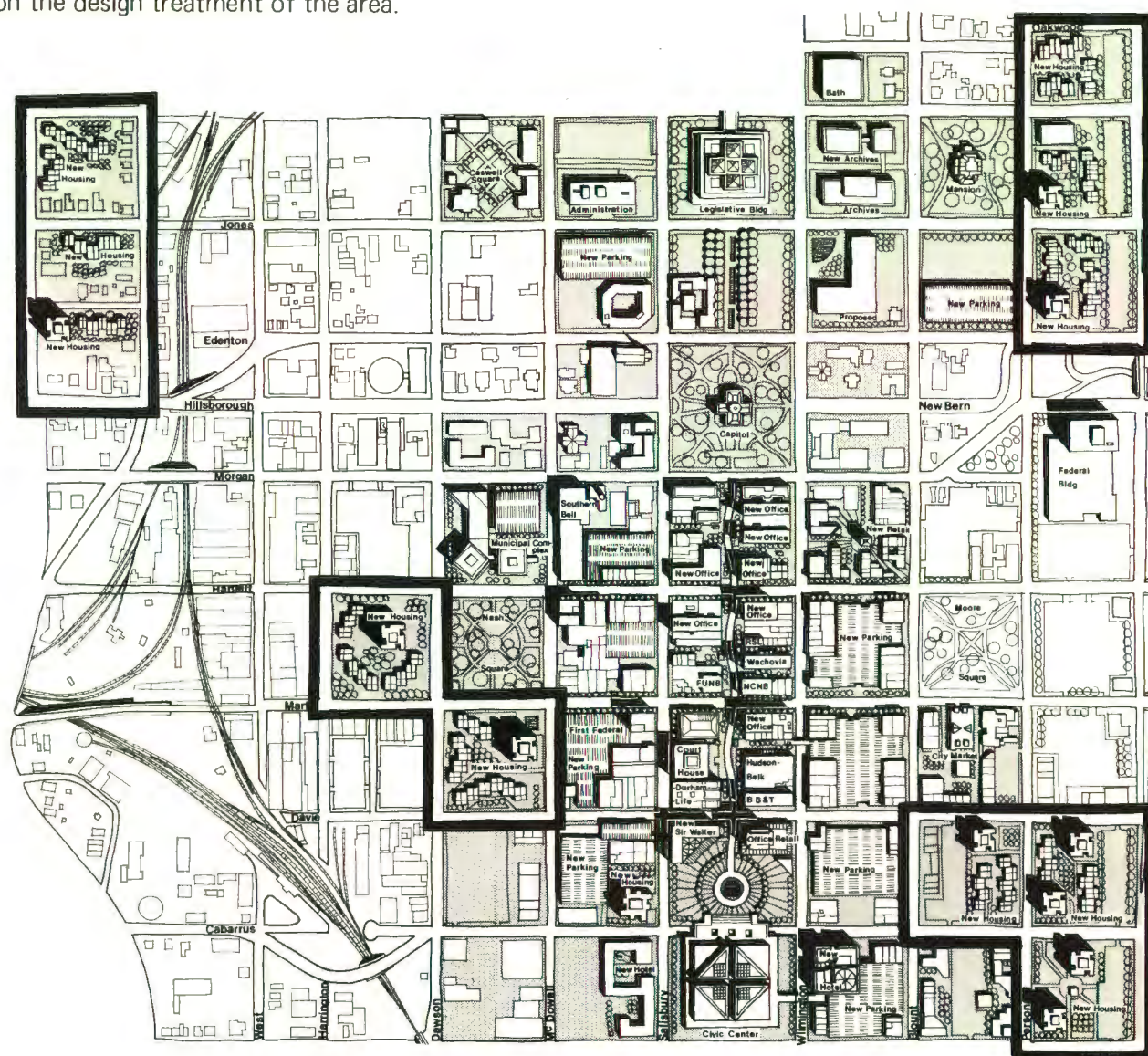
Residential Development

The downtown area should have quality housing within convenient walking distance of central employment, shopping and recreation facilities.

Residential development provides an effective means toward maintaining a thriving atmosphere in the downtown area. In turn, urban residents benefit from convenient access to employment, shopping and recreational facilities.

Economic studies indicate two types of locations which offer potential for residential development within the downtown Raleigh area. The first type is on the fringe of the downtown area where a stable residential environment presently exists to stimulate development. The second is situated in the core area and would require a major revitalizing effort where the ultimate potential depends to a greater degree upon the design treatment of the area.

Development in the fringe areas of the northeast and northwest sectors of the downtown area should consist of a mixture of high-rise and garden/townhouse apartments with the emphasis placed on medium density housing. Housing in the core area should be sited near elements which would assist revitalization such as Moore and Nash Square and Shaw University. Here the emphasis would be toward a denser environment with high-rise structures predominating. Residential development in all cases should be planned to interrelate with the existing amenities toward the development of a vital residential neighborhood.



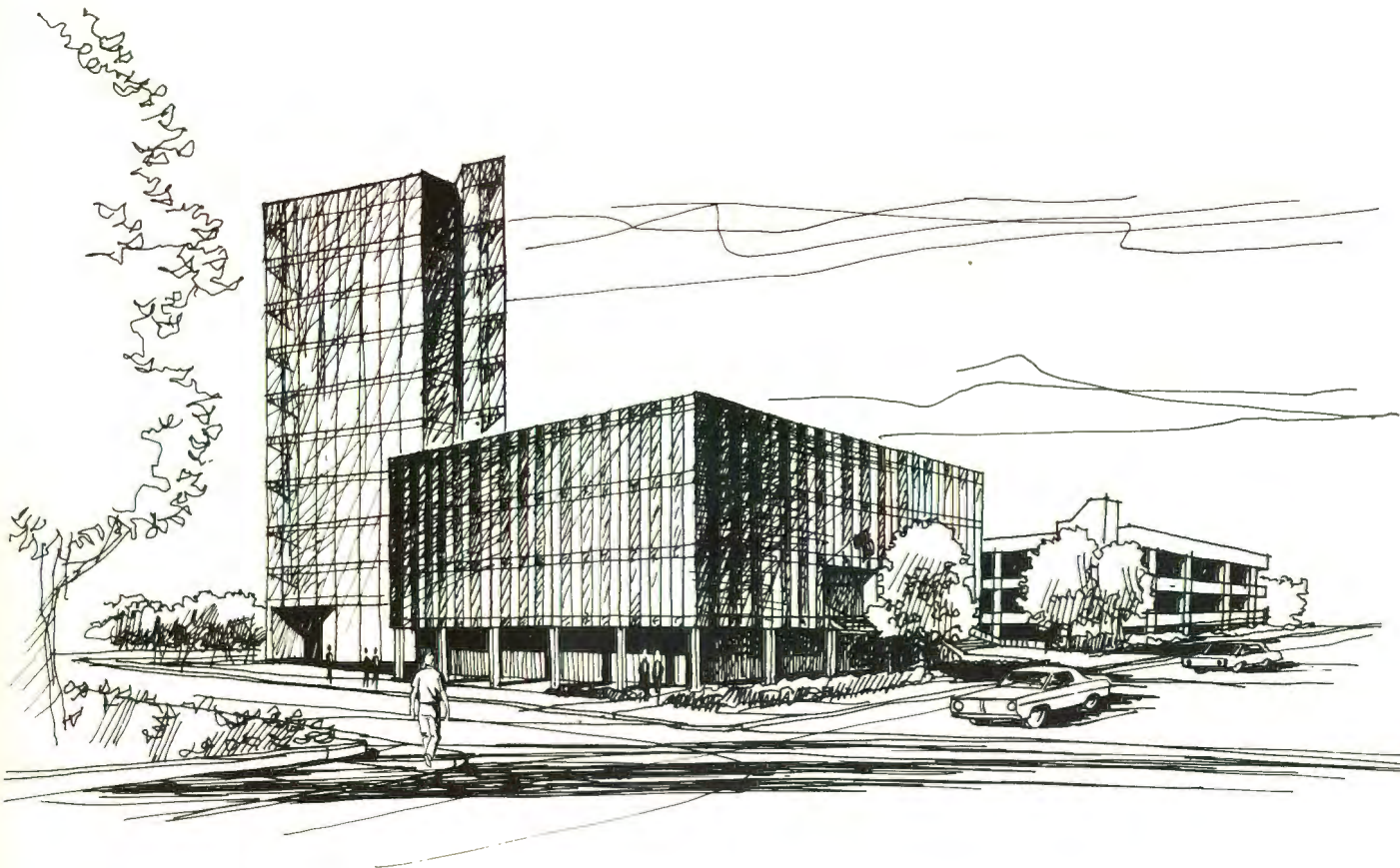
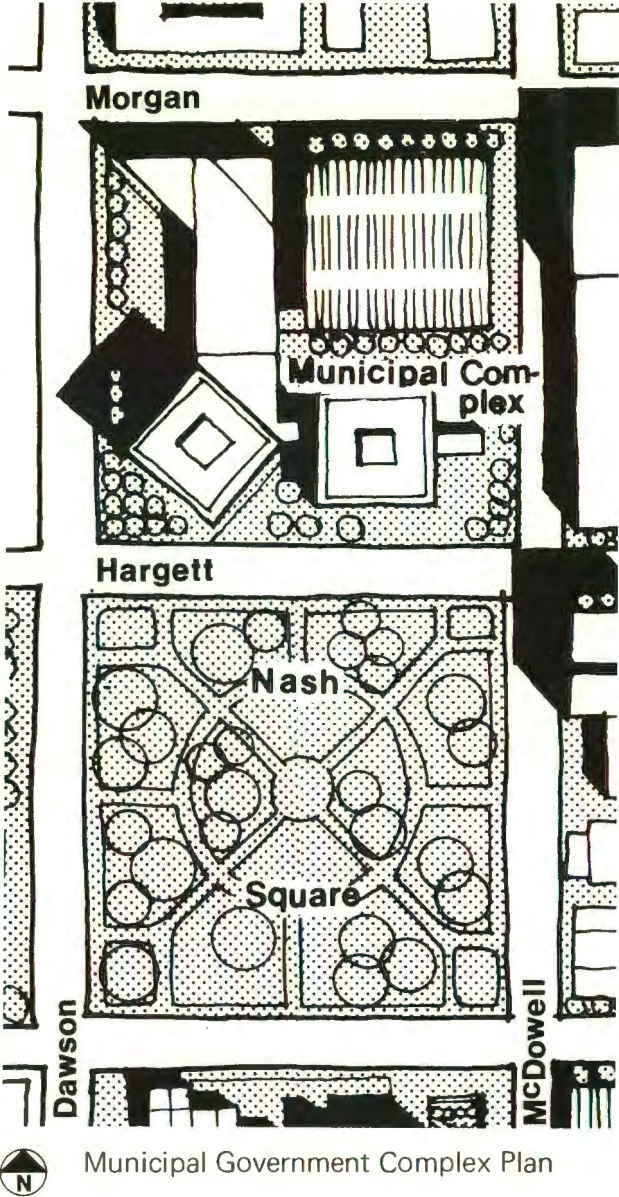
View of New Residential Area West
of Nash Square

Municipal Government Complex

The expansion of municipal government should be planned as a unified complex of office and parking space in the block north of Nash Square.

As Raleigh continues to grow, the City's municipal services will also continue to expand. Space is already at a premium in the Municipal Building which houses the majority of these services. Studies are being undertaken based on projected space demands which indicate that the City Government should ultimately occupy the entire block north of Nash Square. A grouping of municipal services would not only aid efficiency but would strengthen the area and further encourage private development. This expansion will take place in stages as additional space is needed. A multi-level parking facility should be incorporated in the next stage of development to accommodate 300 vehicles.

The current Municipal Building is oriented toward McDowell Street. It is recommended that the first addition to this Building be oriented to Hargett Street and the view of Nash Square. A connection should be made to the existing structure by an elevated pedestrian bridge. The diagonal orientation affords a view of the Nash Square from two faces of the building rather than one. It is anticipated that space requirements will indicate a need for a new structure approximately the same size as the current Municipal Building. The parking structure is located to receive traffic from the east, west and north on Morgan Street and from the south on McDowell Street. A third low-rise office building can be added if further expansion is required.



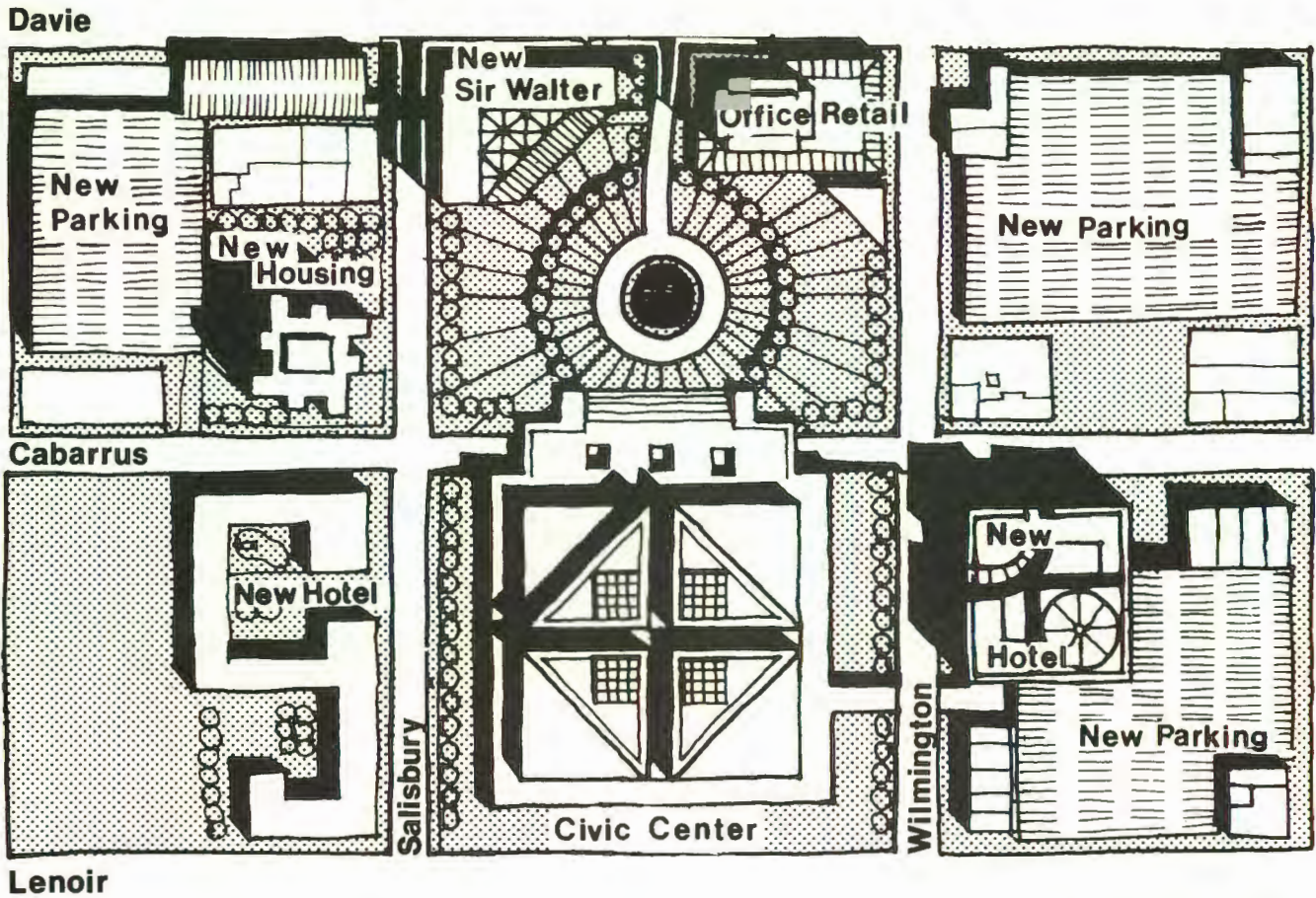
View of Municipal Government Complex from the Intersection of Hargett and McDowell Streets

Civic Center

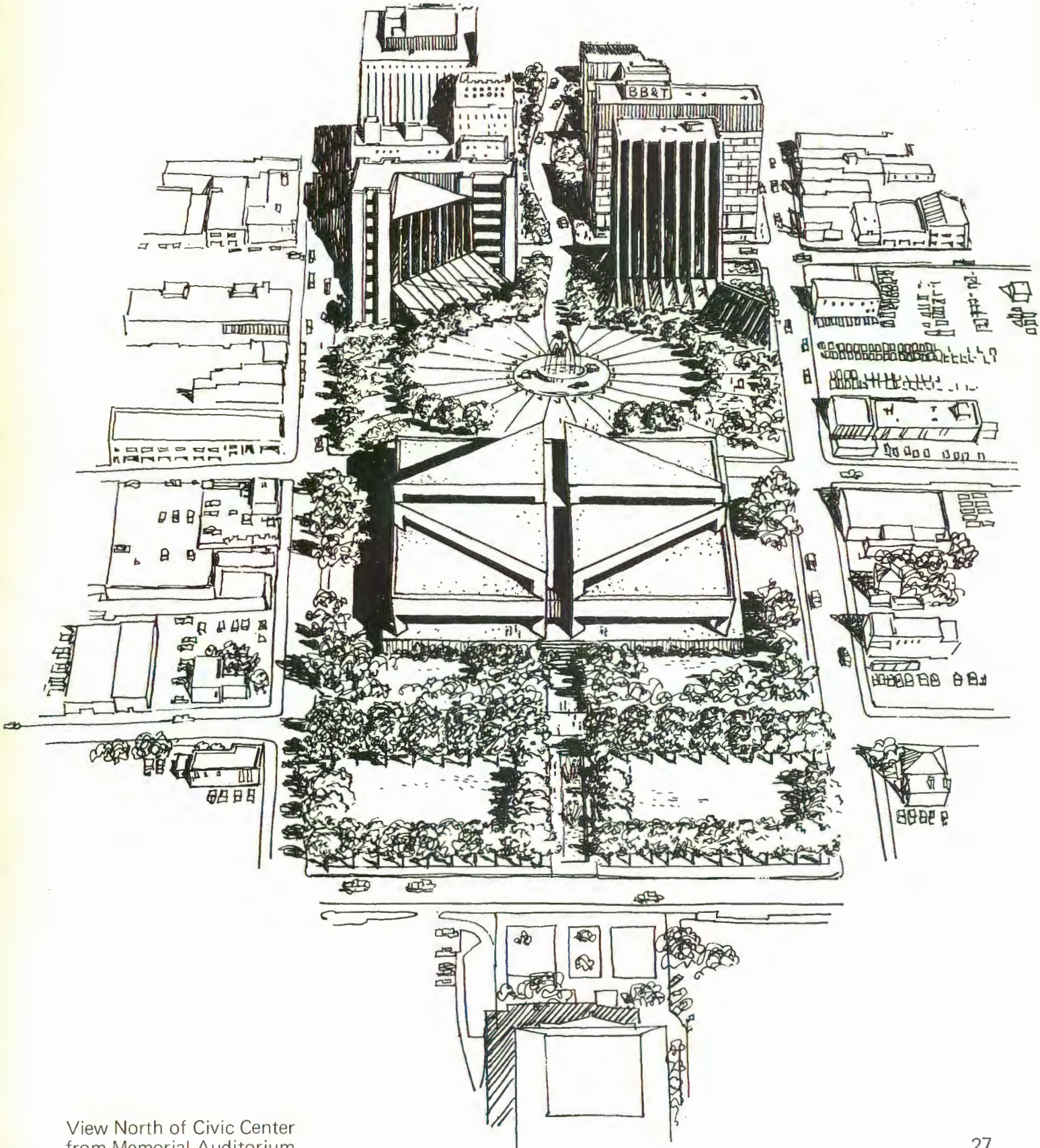
Provide a new Civic Center in the two-block area bounded by Cabarrus, Wilmington, Lenoir and Salisbury Streets.

Raleigh's position as the State Capital and a major North Carolina trade center, combined with its role as a center of cultural activity in the State, requires that it play host to a wide variety of events drawing thousands of local citizens and visitors each year. These mass attendance events range from trade shows, conventions and conferences to professional, social and cultural convocations and provide the community with additional millions of dollars of direct and indirect expenditures, support local businesses and provide increased employment opportunity.

Economic analysis of the downtown area directed toward an imaginative revitalization program proposes that certain major generators be developed in the downtown area to encourage further development. The establishment of a new downtown Civic Center capable of providing optimum services for mass attendance needs would focus this trade on the Central Area. Economic facts indicate that a new center would be in substantial demand for conferences, general community events, commercial and consumer trade shows and conventions.



 Civic Center Plan



View North of Civic Center
from Memorial Auditorium

It is recommended that a new facility capable of meeting these needs should have at least 150,000 square feet of multi-purpose meeting and exhibition space and 250,000 square feet of additional support space including on-site parking for approximately 400 cars. Large scale meeting and exhibition requirements will necessitate large clear spans and high ceiling spaces. The cost of a new Civic Center based on preliminary estimates is expected to be approximately \$10,000,000 excluding land cost. Recently enacted Civic Center Authority legislation provides an effective vehicle for initiating the project.

The development of this Center would in turn generate a great demand for additional transient facilities in the immediate area. The economic impact of such a Civic Center would further encourage the development of new office and retail space. As such, the new Civic Center would be the major generating element of the plan.

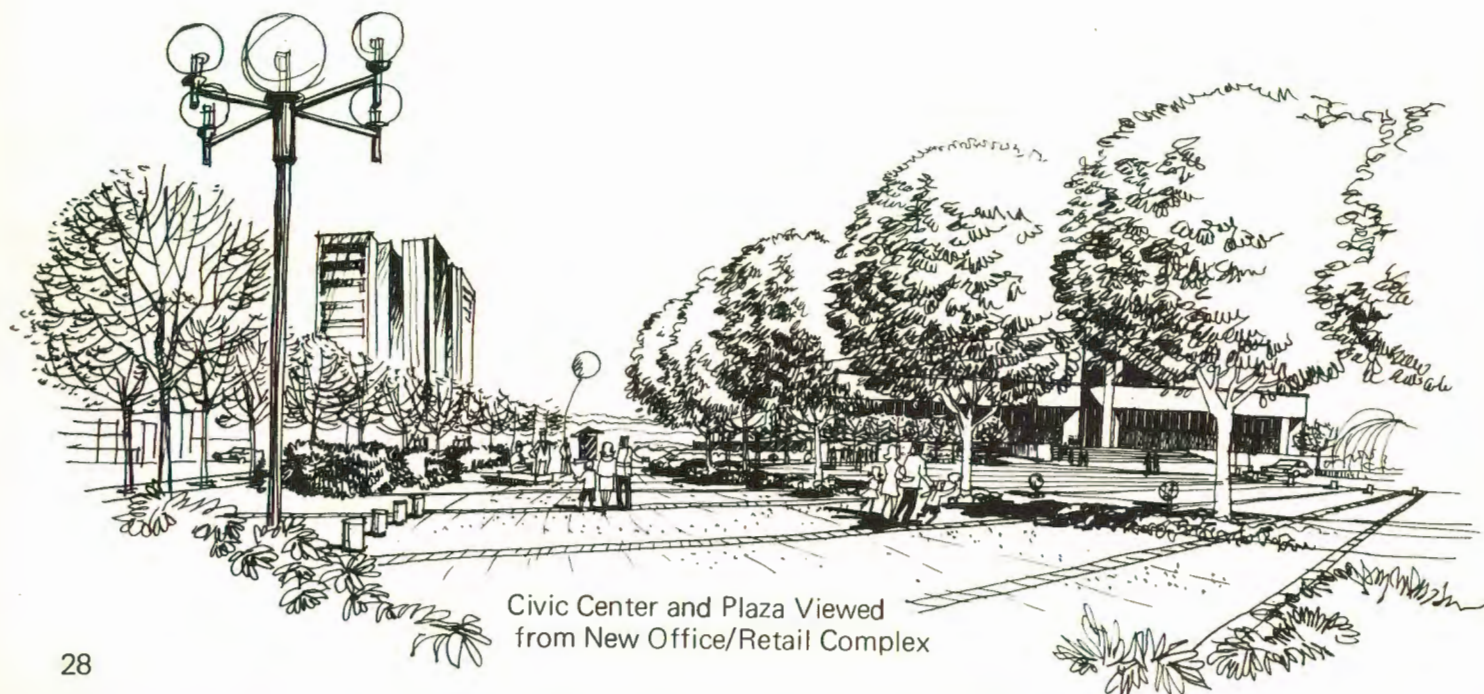
The importance of this facility requires that it be carefully sited at a point where its revitalizing effects would be most successful. Through extensive economic and design analysis, five alternate sites were selected. All five sites were then carefully evaluated through economic and design testing. The site which straddles Fayetteville Street between Cabarrus and Lenoir Streets was ultimately selected based on the guiding objectives stipulated by the Client Committee. In view of the parking demands generated by the new Civic Center, it is recommended that multi-level parking structures be located adjacent to the Center. These facilities should be developed in combination with new transient space to create a complete mass attendance complex and would additionally serve new office and retail development anticipated in the future.

Civic Center Plaza

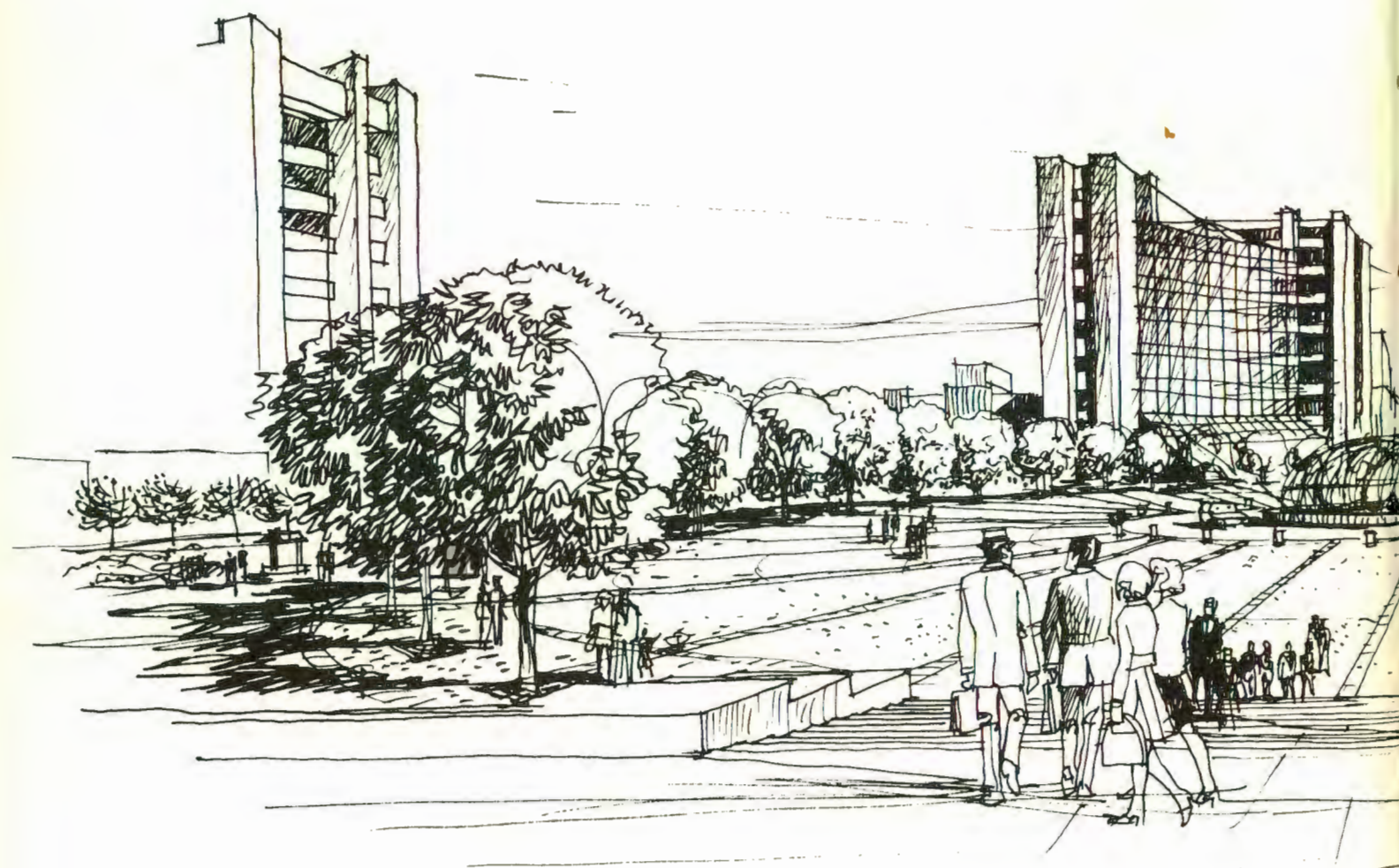
A major public open space should be developed as a plaza for the Civic Center and to serve as a terminus for Fayetteville Street.

The siting of the Civic Center on Fayetteville Street between Lenoir and Cabarrus Streets is expected to produce extensive transient, office, retail and parking development in that area. It is proposed that this development be given unity and focus through the construction of a major Civic Center Plaza. This major plaza would provide the stimulus for new development that is badly needed in the southern sector of Fayetteville Street. Cabarrus Street would be lowered and the Civic Center podium would span across the street forming a unified development out of what is now four separate blocks on Fayetteville Street.

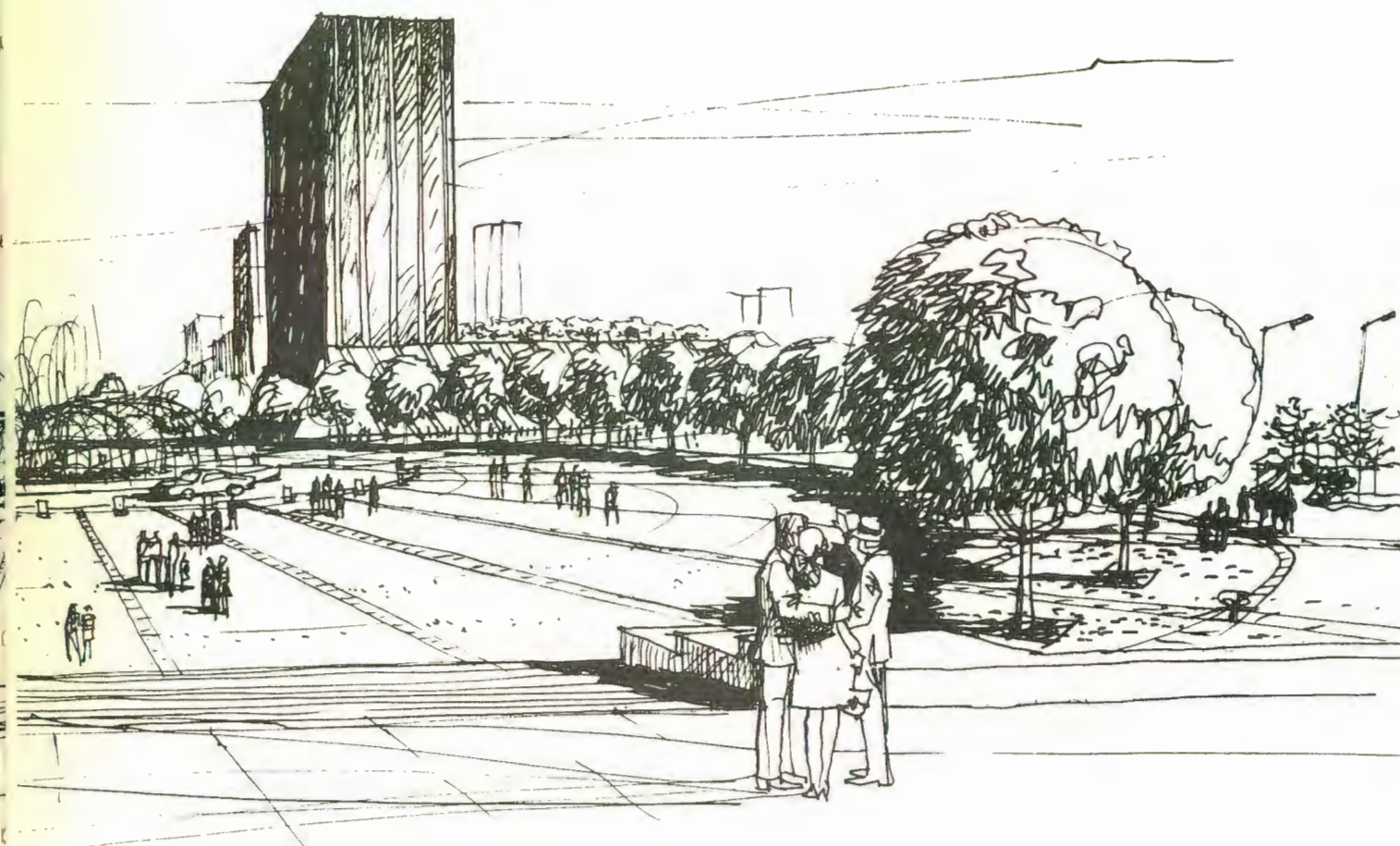
The plaza should be enriched with landscaping and other amenities to complement its broad expanse and establish it as an attractive point of pedestrian activity. At the center of the plaza is a gentle circular drive around a major civic fountain. A variety of paving materials, kiosks, sculpture and landscaping would further enhance and unify this major civic space.



Civic Center and Plaza Viewed
from New Office/Retail Complex



View from Civic Center Across Plaza
to New Sir Walter and New Office
Complex

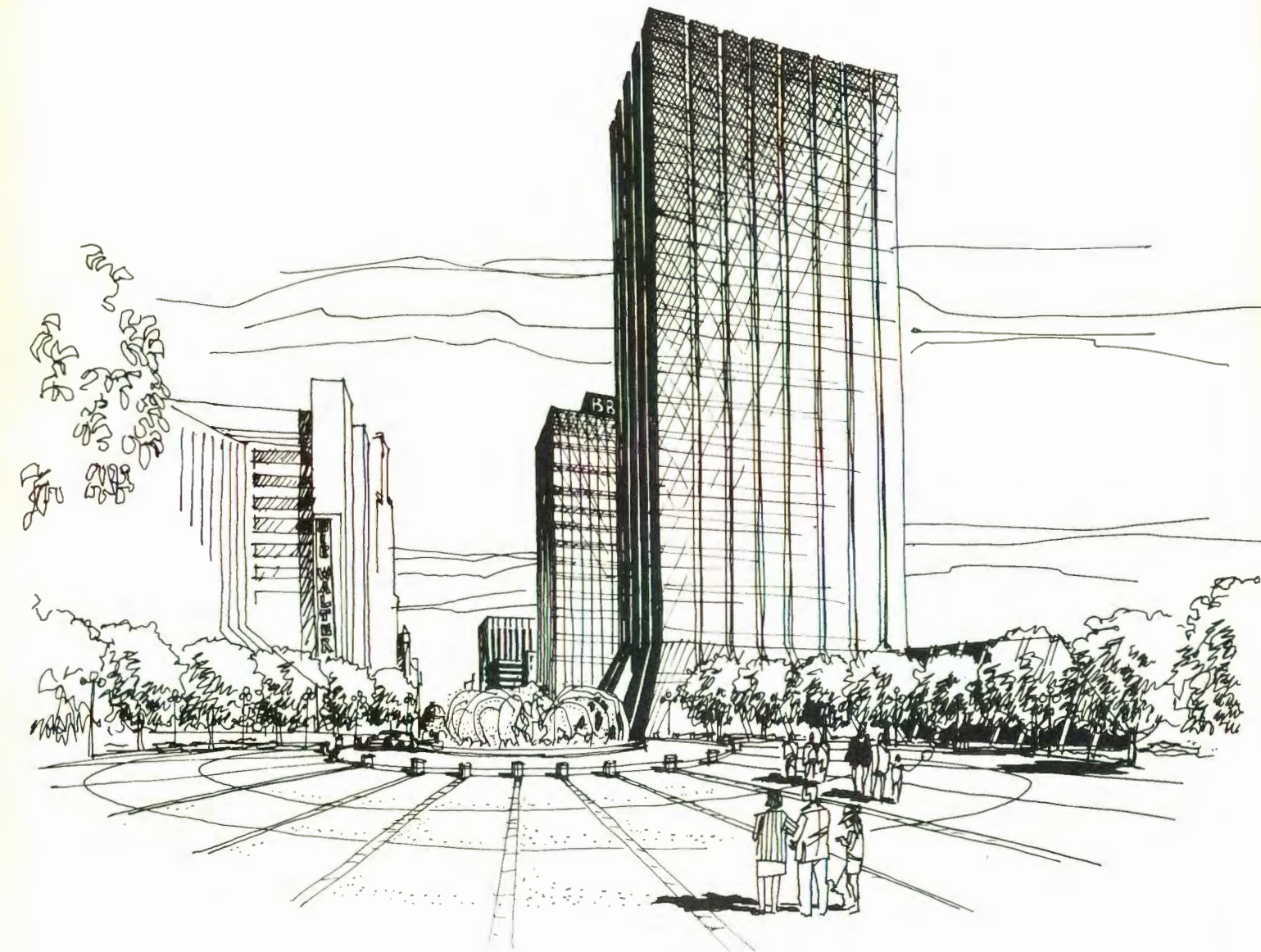


Office Complex

A major new office tower and ground level shopping arcade should be developed to take advantage of the focus of private investment generated by the new Civic Center.

Analysis conducted by economic consultants indicates that a substantial market exists for the development of a new office building combined with a ground level shopping arcade.

It is recommended that the development include a 300,000 square foot office tower and 40,000 square feet of specialty/retail shops. The structure would be situated on the northern portion of the block that is now defined by Fayetteville, Davie, Wilmington, and Cabarrus Streets. This site would provide a land area of approximately 35,000 to 40,000 square feet for development. The site offers excellent orientation to the Civic Center, the landscaped Plaza, the new Sir Walter Hotel and other major office and retail structures to the north on Fayetteville Street. Retail spaces should be related to an indoor pedestrian galleria which should have easy access to proposed parking structures fronting on Salisbury Street in the adjacent block to the east. The galleria would also contain restaurant and/or cafeteria facilities. Initial economic studies indicate that the project cost for both office and retail space would total an estimated \$10,000,000 excluding land acquisition cost.



View of New Office Complex
from Civic Center

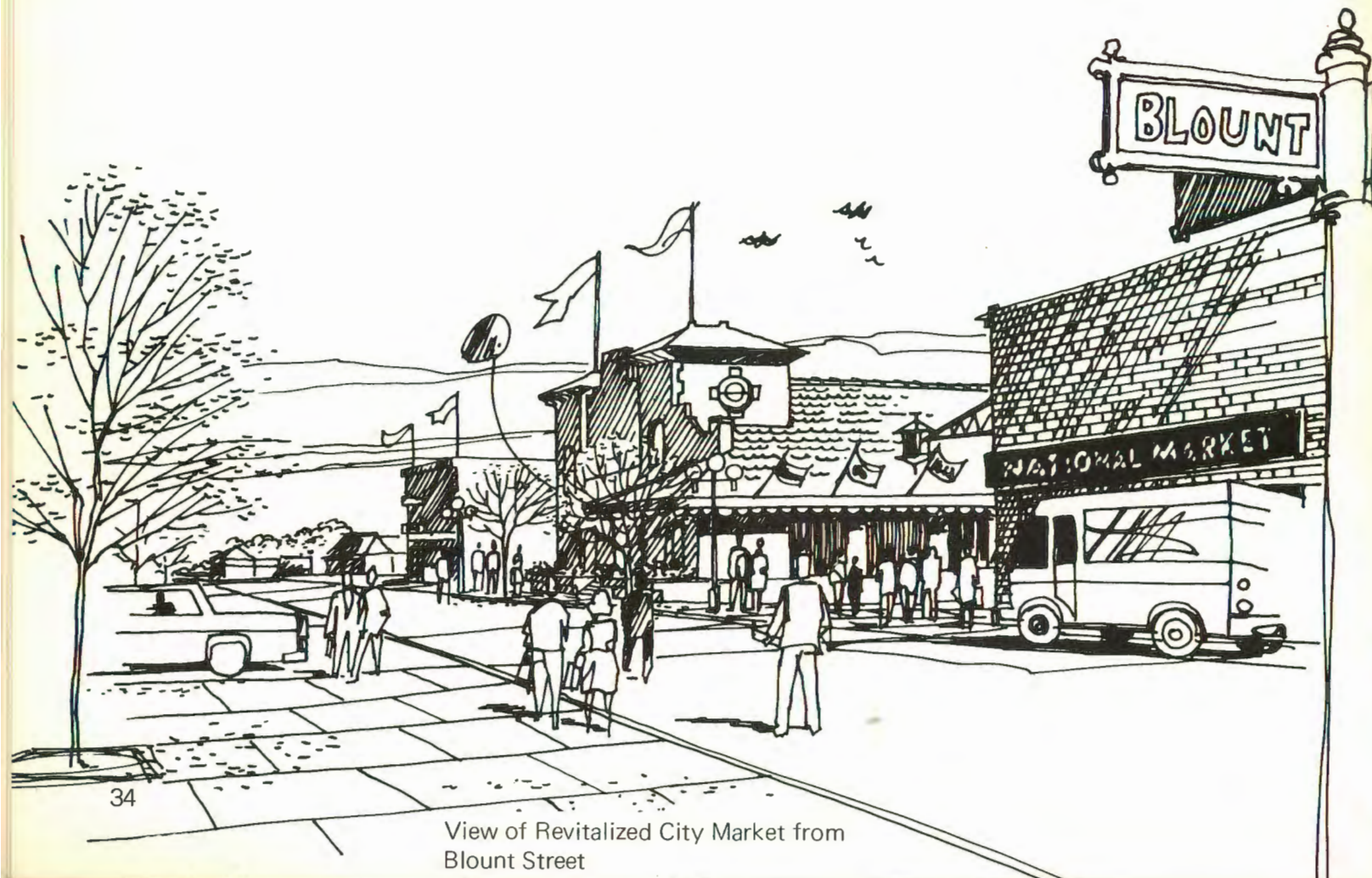
Historic Revitalization

Raleigh's valuable historic buildings should be incorporated in revitalizing development to further enrich the downtown environment.

Downtown Raleigh possesses a great, if somewhat neglected, legacy in its numerous historic buildings which are all that remains to represent Raleigh's rich heritage. Many of the downtown streets were once lined with elegant 18th and 19th century homes and other structures. A few strong historic areas such as Blount Street still remain. But for the most part, parking lots and nondescript buildings have replaced the structures in which our history was made. These buildings have value beyond their nostalgic appeal. They add an interest and a sense of vitality and in many instances have been easily incorporated into successful development schemes. Their richness of texture which cannot be bought today at any cost is becoming increasingly valuable to the modern developer.

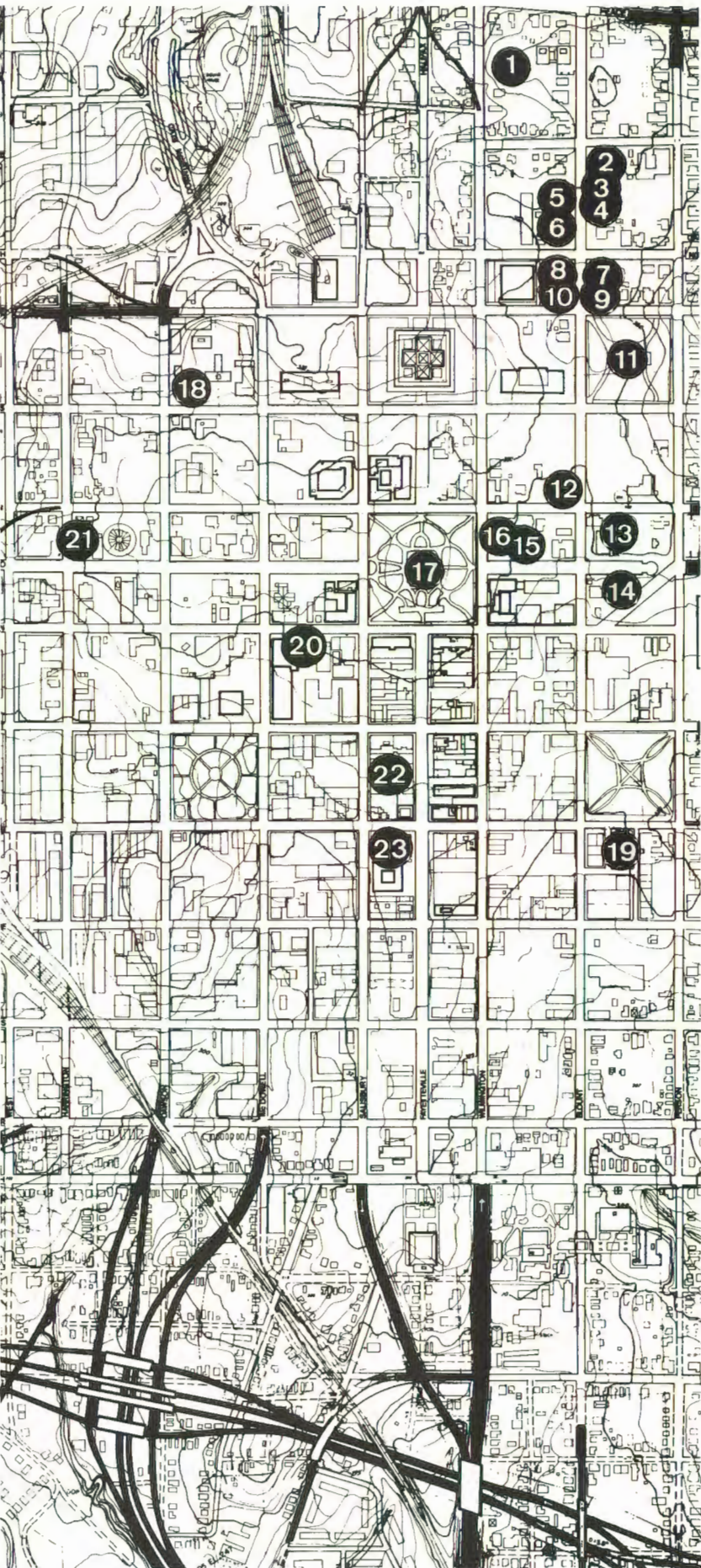
Downtown Raleigh contains over 20 buildings of historic significance most of which are listed in the National Register of Historic Places. Some are well-known such as the State Capitol, Governor's Mansion, and Old Post Office. Some have been successfully renovated and put to good modern uses such as the Old State Bank now occupied by NCNB. Still others like Briggs Hardware and the Old City Market continue to be used as intended. Many, however, are badly in need of restoration. The City Market represents a particularly good opportunity for the combination of historic revitalization and economic development due to its frontage on Moore Square and the fact that it currently functions in a retail capacity.

Raleigh will continue to grow with larger, more impressive structures appearing on the skyline. It is recommended that Raleigh's history be incorporated in this growth because of the potential it continues to offer.



View of Revitalized City Market from Blount Street

- 1 Merrimon House
- 2 Bailey-Pou House
- 3 Lee House
- 4 Tucker House
- 5 Higgs, Coble, Helms House
- 6 Andrews Duncan House
- 7 Hawkins-Hartness House
- 8 Heck-Andrews House
- 9 Bailey-Bunn House
- 10 Andrews-London House
- 11 Executive Mansion
- 12 Richard B. Haywood House
- 13 Haywood Hall
- 14 White-Holman House
- 15 North Carolina National Bank
- 16 Christ Church
- 17 Capitol
- 18 Water and Air Resources
- 19 City Market
- 20 American Institute of Architects Tower
- 21 Dodd-Hinsdale House
- 22 Briggs Hardware
- 23 Old Federal Building



Historic Buildings Plan

Cityscape

It is important that a total design concept be created for the supporting elements of the plan which form the city landscape. The quality of the environment related through such a concept will insure that major elements of the plan such as the Fayetteville Street Mall and the Civic Center Plaza will be realized with the vitality and interest intended in the plan.

Therefore, attention must be given to the amenities provided through landscaping, street furniture and signage which complete the total revitalization of the downtown area.

Landscaping

Trees and careful landscaping are a vital part of City design. Tree planting in the City can be extremely effective in amplifying the quality of the environment and emphasizing major paths, buildings, vistas or specific areas of activity. The softness, texture and color of landscaping adds necessary visual contrast to the hard surfaces of the City. Trees, shrubs and lawns can form canopies, screens and frame views as well as offer shade and beauty.

Trees should be used to emphasize the particular appearance of various spaces within central Raleigh. Earth mounds should be introduced in combination with planting to buffer freeway noise. Planters should be employed to protect trees in high pedestrian traffic areas. In places where planters are not desired, trees may be incorporated into the pavement design through the use of decorative changes in the paving.

Street Furniture

Street furniture should be incorporated into the urban fabric to complement the street and landscape, thereby becoming a part of the total plan. A coordinated street furniture system should be developed for all public spaces through a set of design standards. Materials and colors should have a durable quality, be easily maintained and blend

well together. Individual items of street furniture should be consolidated into serviceable groups where possible.

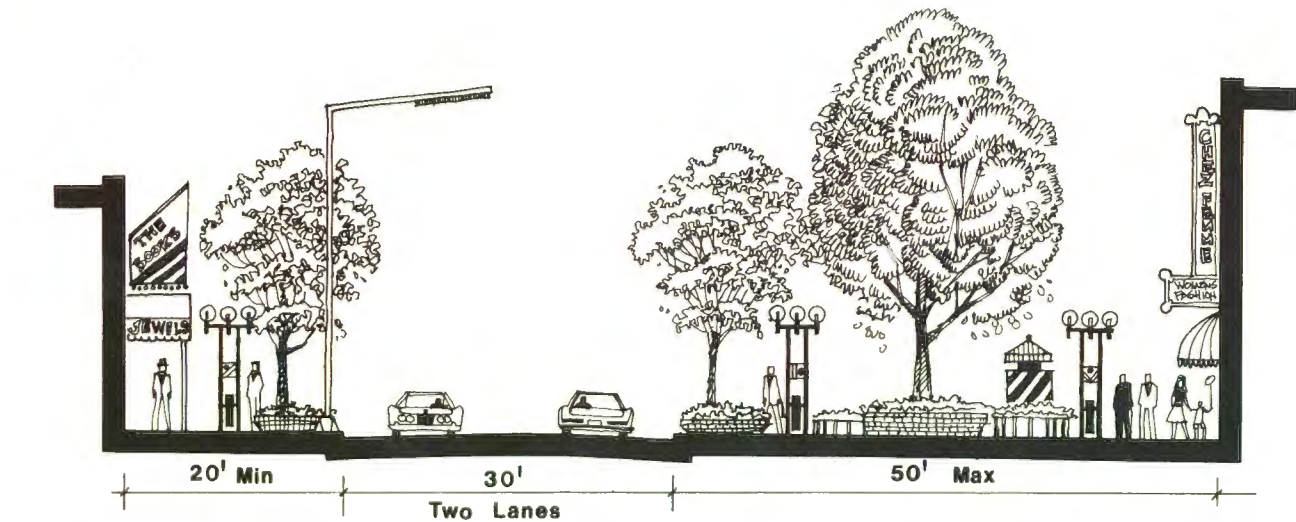
For example, a bus shelter could contain newspaper dispensers, waste receptacles, benches, transit signs, etc. A variety of paving patterns should be employed to add attractive relief and define areas such as crosswalks and pedestrian ways. The unsightly overhead utility wires and suspended stoplights should be removed. Attractive pedestal type stoplights should be located on intersection corners and could be coordinated with the street and traffic direction signs.

Signage

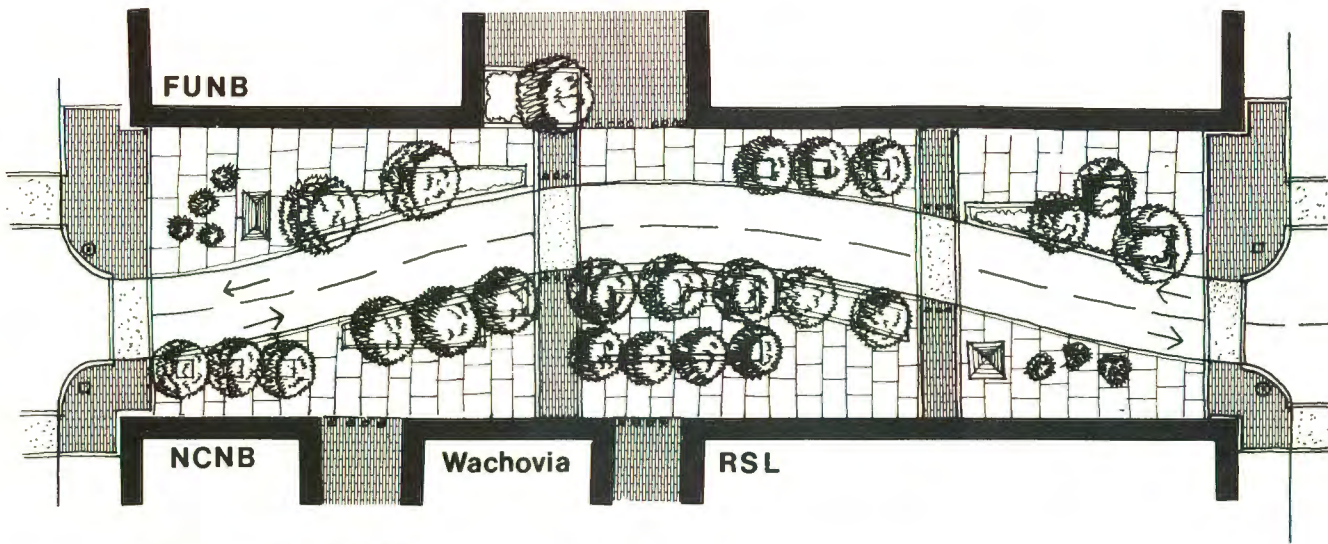
Central Raleigh contains many public and private signs that have great impact on the City's total visual image. Public signs should be coordinated by adhering to an established set of principles and standards. The aim should be to establish a visual information system that adds to the attractiveness of the downtown scene. Pictographs and/or symbols should be used where possible for faster comprehension and a standardization of information. Signage can also employ consistent color coding to further aid recognition and comprehension.

Private signage should be designed to convey information and complement the order of public signs by adding a fresh contemporary impact to the street image. Non-related signage can be located on kiosks and sign towers becoming a part of the street furniture. Lighted directory maps identifying downtown landmarks, historic buildings and shopping can be located in key pedestrian areas.

All elements of the cityscape should be required to conform to a degree of design control established in a series of standards and principles to form a unique visual image for central Raleigh. However, these design controls should not be so rigid as to inhibit choice, individuality and diversity.



Typical Section



Typical Block Plan



Fayetteville Street Mall

III The Plan

Objectives

In the development of the Master Plan, definite objectives were established consistent with the needs of the City of Raleigh. These objectives then became the essential guiding goals of the planning process.

To point the way toward an imaginative revitalization of the area based upon contemporary urban design concepts.

To encourage a collaborative effort between Governmental agencies and the private sector of the City in the realization of the objectives.

To encourage a broader range and greater depth of merchandise and services offered in the Central Business District, thereby strengthening its position as a regional trading center.

To enhance the attractiveness of the area as a professional, business and management service center.

To maximize consideration of the historic heritage of the Capital City.

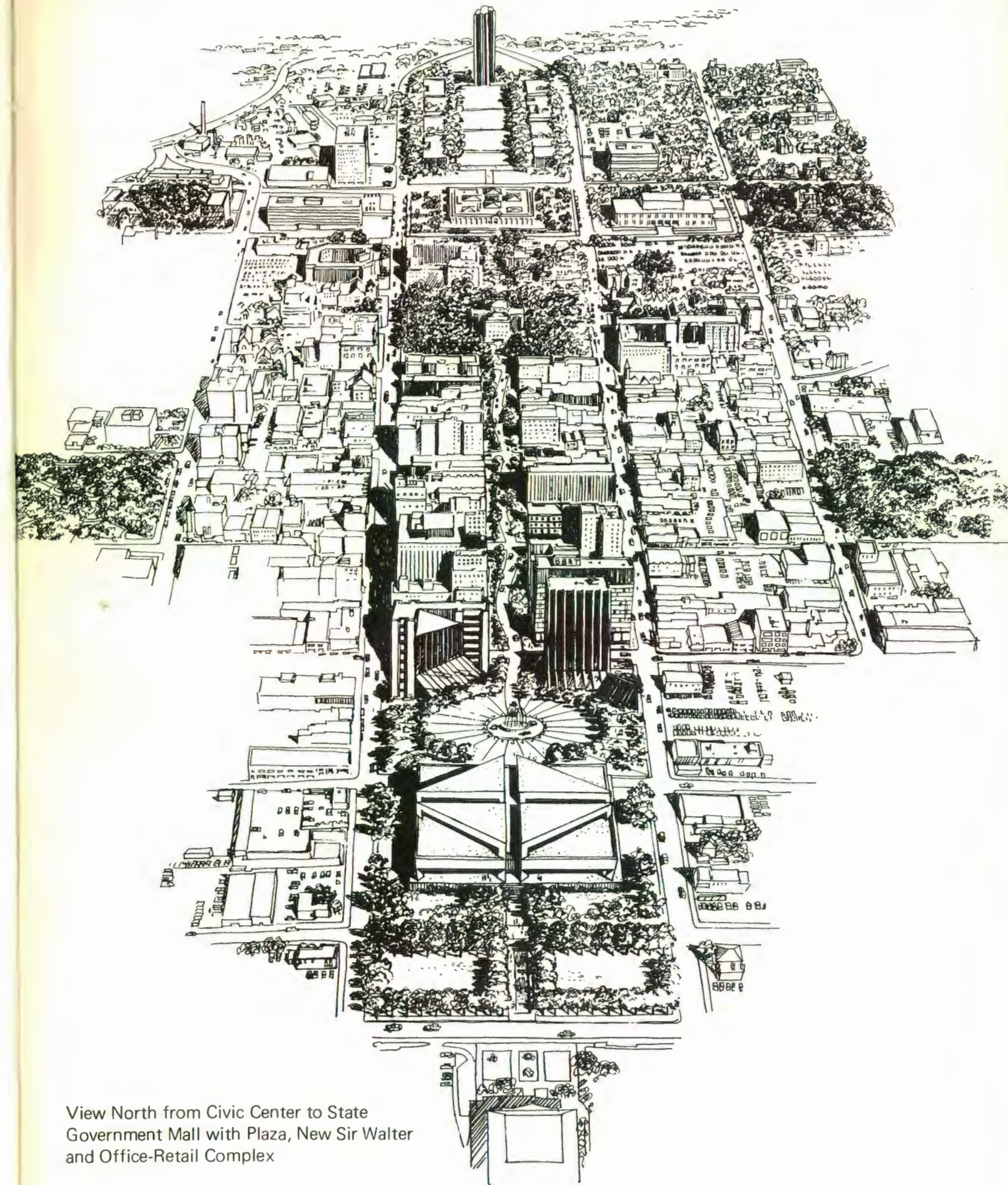
To maximize convenient vehicular access to and circulation about the area.

To maximize convenient pedestrian circulation about the area.

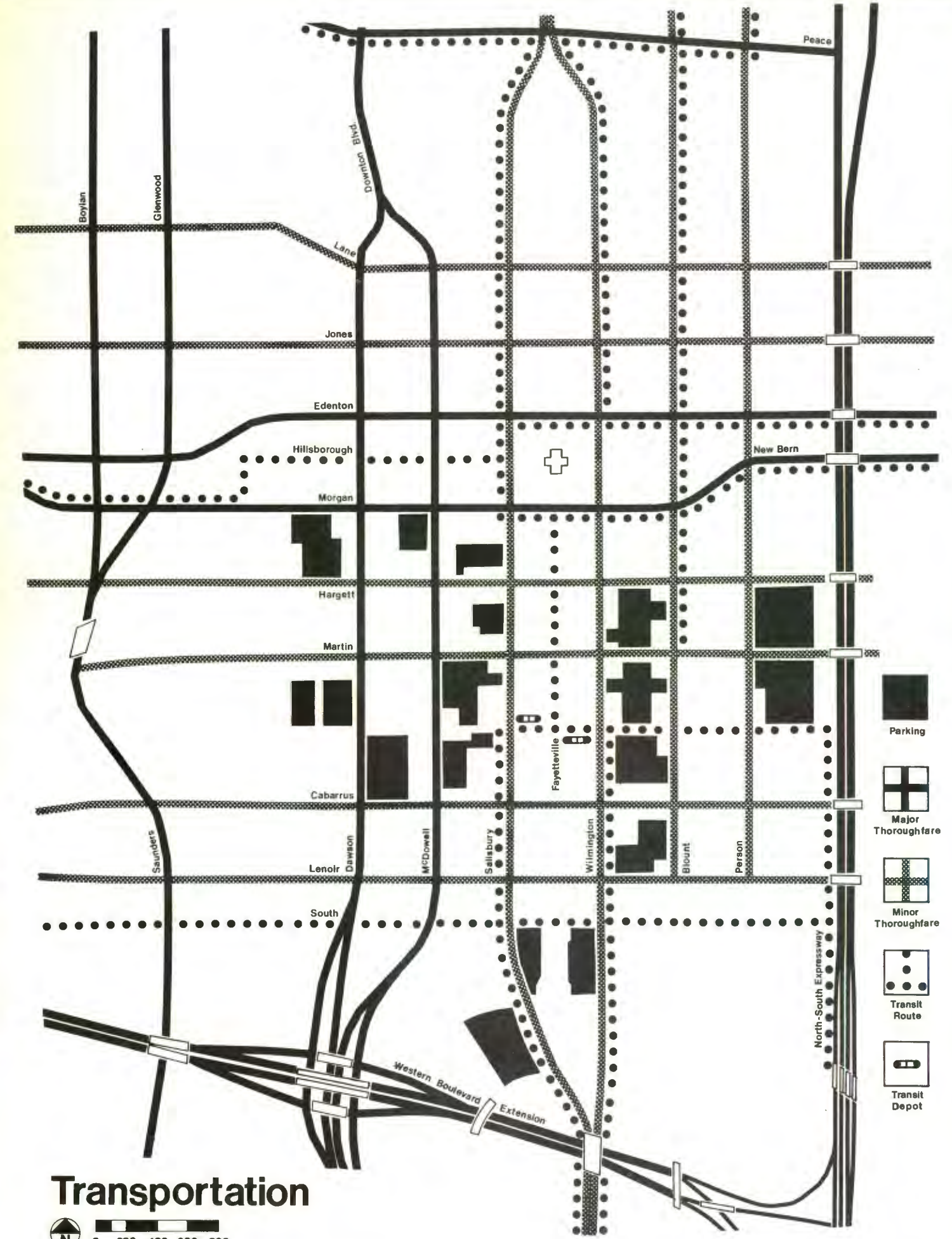
To improve the quality of the aesthetic environment in the area.

To establish objectives that are capable of being realized because they are physically possible and economically sound.

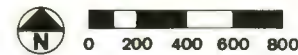
In sum, to achieve an attractive, thriving center of activity worthy of the prestige and dignity of being the Capital City and cultural center of the State of North Carolina.



View North from Civic Center to State Government Mall with Plaza, New Sir Walter and Office-Retail Complex

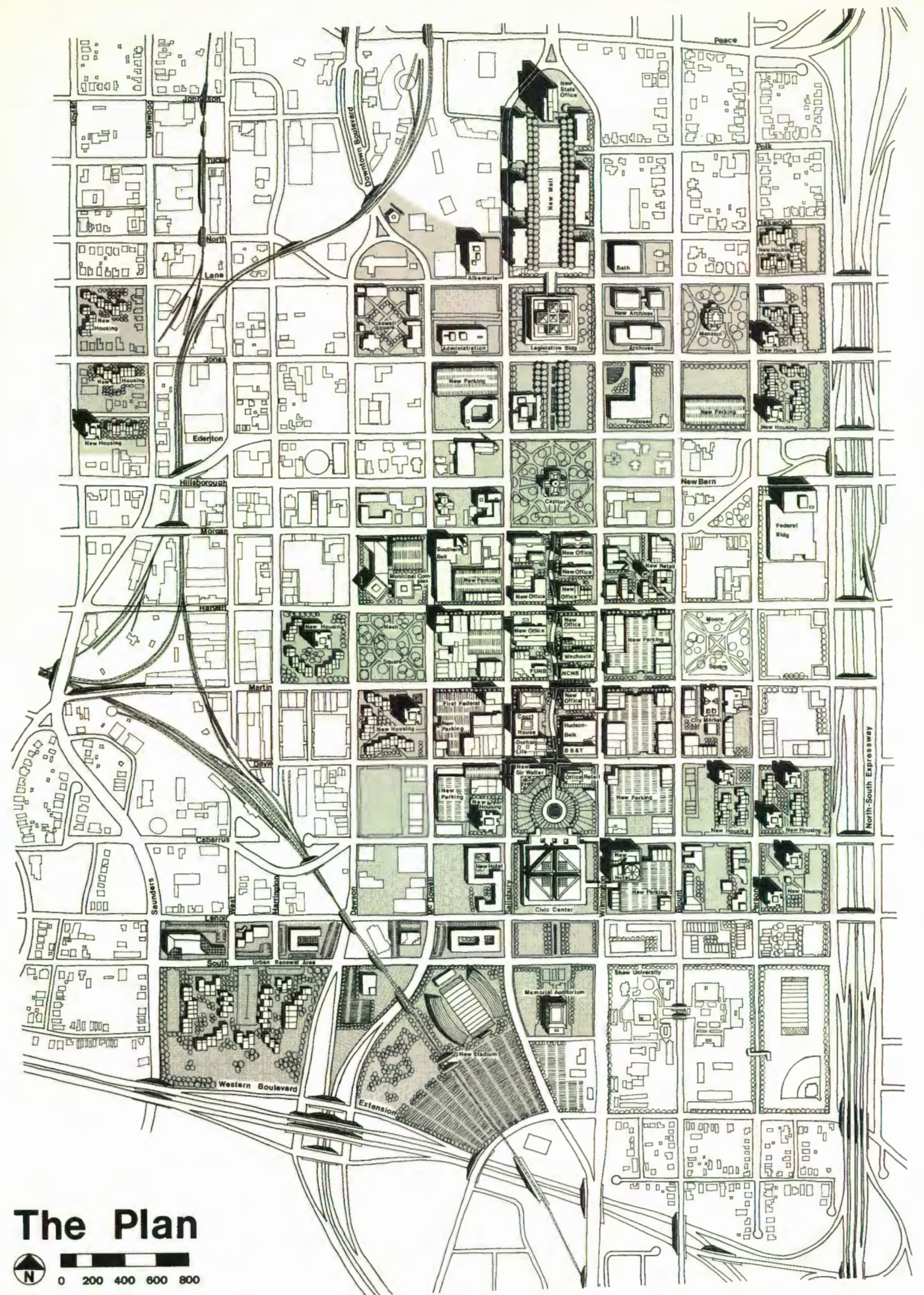
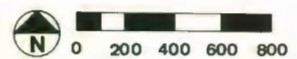


Transportation

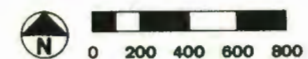


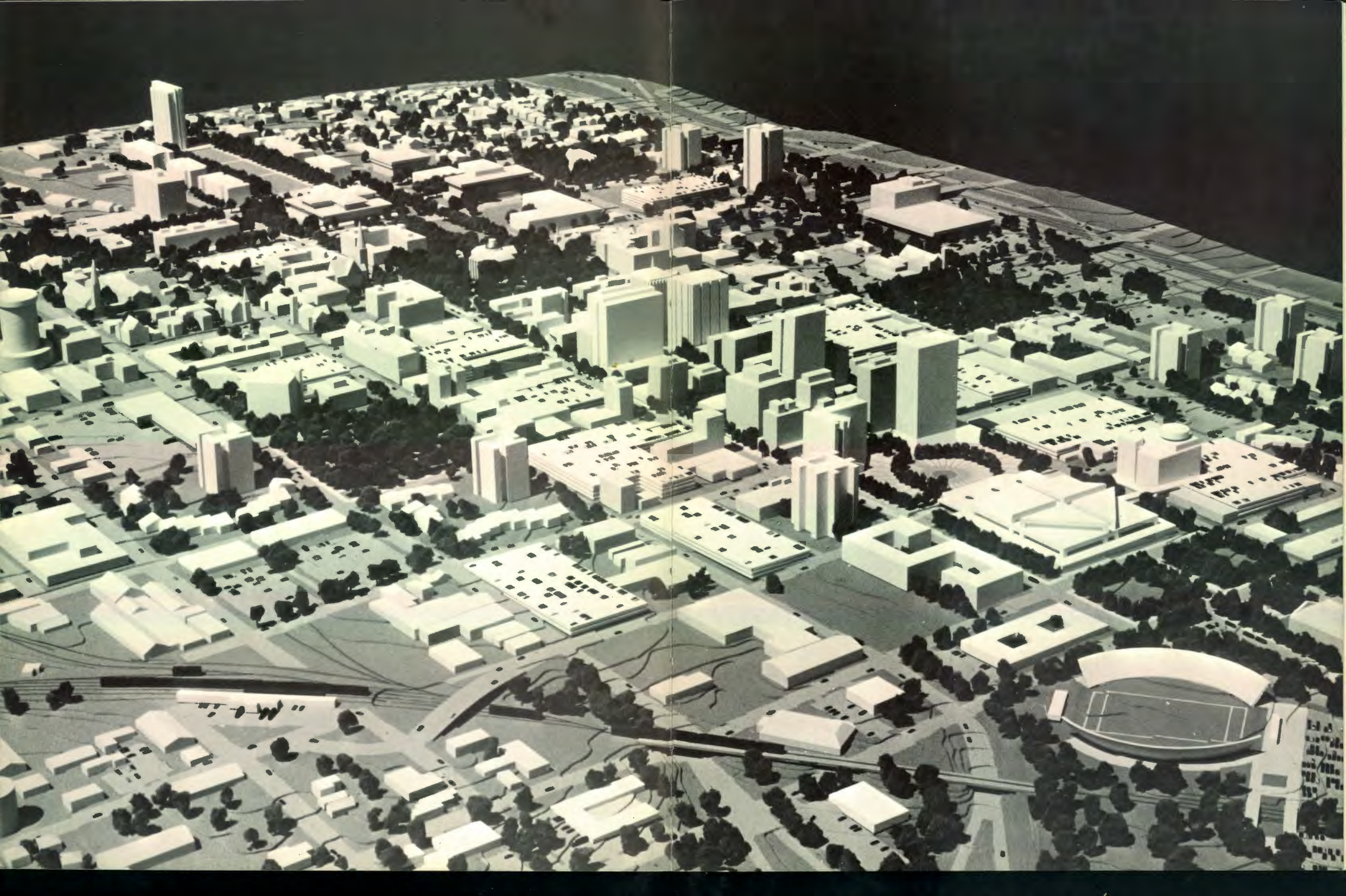


Land Use



The Plan





IV Appendix

Implementation

Hammer, Greene, Siler Associates

The implementation of the Greater Raleigh Central Area Plan will require the concerted efforts, and possibly even sacrifices, of both the public and private sectors. Unlike a development starting from scratch on vacant land, the improvements to downtown Raleigh require readjustments in established patterns of development and ingrained ways of thinking. The accomplishment of the plan objectives will not be simple, easy, or cheap. But it can be done — must be done — as it has in many other communities faced with the kinds of problems confronting Raleigh.

In the following paragraphs an analysis is made of the implementation prospects and modes for the major elements of the plan as proposed. These planned elements have been grouped under four major headings:

1. Public Improvements: Thoroughfares
2. Public Improvements: Buildings and spaces
3. Private Developments: General
4. Private Development: Major project

The funding alternative indicated for each planned element is not necessarily the only one available. Rather, it has been selected because it seems to have the greatest applicability to the Raleigh situation, has the highest rate of success in applications elsewhere, or is simply the easiest to use.

One overall assumption governing these implementation proposals is that the public sector must show its good faith in carrying out the plan proposals by making its expenditures before the private sector should be expected to make investments. This may seem harsh, but it is a fact of life in a development environment within which the private sector is not readily inclined to take the lead.

Public Improvements: Thoroughfares

The upgrading of vehicular and pedestrian access to and within the central area is an important part of the planned proposals. Such public action must be considered a very high priority as it is a key ingredient to the revitalization effort.

Fayetteville Street Mall

It is estimated that the improvements to Fayetteville Street that are necessary to create the 3-½ block mall proposed in the plan will amount to \$875,000 in construction costs. Since the land is already in public ownership (streets and sidewalks) no land purchase is necessary.

It is customary, and we think appropriate in this situation, to have the public and private sectors share the cost of such an element which would have such obvious benefits for adjacent properties and businesses. It is recommended, therefore, that the City undertake the Fayetteville Street Mall improvements but that affected property owners be assessed on a front foot basis over a period of time to reimburse the City for up to 75 percent of its investment.

Pedestrian Links

It is generally not feasible to take up prime "main street" frontage with parking lots. At the same time parking lots in the rear of a shopping complex, while located on more expendable land, do not enjoy an attractive approach to the shopping facilities. It is necessary, therefore, to provide parkers with a means of getting from the car storage area to the mall and the fronts of the stores and other commercial establishments.

The four new pedestrian links proposed in the plan would cost approximately \$50,000 each, according to the planners. In our judgment, this capital requirement should be added to that needed for the Fayetteville Street Mall and be funded as part of the same package. We see the mall-links combination as essentially inseparable from the standpoint of generating access to downtown commercial facilities.

Street Improvement

A general upgrading and rationalizing of the street system in the vicinity of the downtown area is proposed as part of the revitalization effort. For the most part, the system currently operates rather well, so the additional expenditures required for this work are not expected to be high. The funds would come out of the City's regular capital program for improvement of streets and highways.

Public Improvements: Buildings and Spaces

For the most part, the investments that would be made under this category would serve to fulfill pressing needs for a particular type of space or create a new setting for public and private development.

Civic Center

The Civic Center is the key public improvement that would be undertaken in connection with downtown Raleigh revitalization. There is a substantial need for such a facility in the capital of North Carolina to serve the meeting, convention, and trade show requirements of state, local and regional organizations. At the same time, the facility would provide an important impetus to the upgrading of the City's central area.

The cost of the Civic Center has been estimated at \$10 million, exclusive of land which would be funded as part of the Civic Center Plaza development described below. The creation of a Raleigh Civic Center Authority was authorized at the 1971 Session of the North Carolina General Assembly. This body can build the facility and issue revenue bonds or general obligation bonds to finance it. This bonding can be supported by an increment of the property tax base if approved by the electorate at referendum.

Civic Center Plaza

The Civic Center Plaza is a development required to provide a suitable setting for the Civic Center and to link the Civic Center development with the Downtown Core. Portions of the two City blocks flanking Fayetteville Street between Davie and Cabarrus Streets and totaling about 137,000 square feet of land area would be required. In addition, Cabarrus Street would have to be lowered to run beneath the plaza.

It is proposed that the bulk of the cost of buying this land and preparing it would be made part of the funding of the Civic Center itself. The Cabarrus Street improvements could be paid for, at least in part, out of the City's streets and highways funds. Opportunities for Federal contributions through open-space grants might also exist. It is estimated that construction cost for the Civic Center Plaza would be \$825,000 exclusive of land acquisition.

Municipal Government Complex

The City is making plans to add new office and parking space to its "campus" on Hargett Street. The development of this complex will give a substantial boost to the area around Nash Square. These office space additions will be financed with general obligation bonds as an element of the City's long-range capital improvements program.

Private Developments: General

Market analysis has shown that considerable potentials exist for all types of private development in downtown Raleigh. These demands have been made part of the plan, and most of the potential existing through the year 1990 has been plugged into the revitalization proposal.

All of the private elements in the plan can be achieved through normal entrepreneurial activity. As indicated in the economic report, strong markets exist at various times throughout the planned period for new retail facilities, private office space, hotel rooms, and residential units. In addition, parking is conceived as a private sector investment in Raleigh. The City has never undertaken a public parking program, and it is believed that private entrepreneurs would be able to continue to provide adequate service. The only exception would occur in connection with a specific public project such as the Civic Center or Municipal Government Complex.

Development Corporation

It is expected that major local developers backed by individual financial institutions will undertake most of the redevelopment projects. In addition, there is the possibility that an out-of-town developer will surface to implement key elements of the revitalization plan. However, developers sometimes hesitate to strike out alone to generate the momentum and create the critical mass that is necessary to bring about the changes required.

An approach that would seem to have potential, in light of the strong commitment and substantial resources among many of the leadership group (but their understandable reluctance to go it alone), would be the formation of a downtown development corporation. This group could sell bonds or shares to obtain operating and equity capital. It might well add staff with development capability at the time planning was maturing and action about to begin.

The corporation would have a strong profit orientation but with an equally strong commitment to overall community good. As such, it would be available: 1) to serve as renewal redeveloper if needed; 2) to package projects for investment by others; 3) to push for public actions (such as underground wiring and urban renewal) which support the downtown revitalization efforts; 4) to arrange joint ventures with major local and national developers; 5) to develop space for the State on a lease or lease-purchase basis; and, 6) to participate in other activities which would make major strides toward achieving a necessary critical mass of new development and sustaining development momentum.

Such a corporation is not a substitute for local commitment. Successful operation will require local financial participation, local leadership participation on a business rather than volunteer basis, and acceptance of typical business risks. The corporation would be a vehicle for pooling these resources and spreading the risk in order to make the difficult downtown revitalization job more manageable.

The private investment indicated on the plan would easily total over \$100 million in the downtown area through 1990. It must be re-emphasized at this point, however, that these private expenditures are not likely to be realized unless the public makes a firm commitment to investments of its own. The competition from outlying areas and other problems besetting central Raleigh have, if anything, created an environment of private dis-investment rather than re-investment. In order to turn this situation around and generate leverage for new private growth, major public elements such as the Civic Center and thoroughfare improvements must be accomplished in the near term.

Private Development: Major Project

The purpose of this analysis is to demonstrate the feasibility of developing a single, functionally integrated project in the central area. The planned element selected for this analysis is the combined office/retail complex located on the northern one-third of the block bounded by South Fayetteville, East Davie, South Wilmington, and East Cabarrus Streets. The analysis deals with the probable return on equity that would accrue to a private investor who would: 1) purchase the site; 2) develop it in the manner suggested by the planning solution; and 3) operate at the level assumed in this pro forma analysis.

A number of assumptions are necessary to arrive at a pro forma return on equity. The major one is that the investor is in a tax and estate development situation requiring a profitable return. If other than profit motives are present, then normal project costs, particularly improvements and rent anticipations, do not apply. This analysis assumes normal profit motivations and takes into consideration capital investment requirements, net revenue estimates, debt service on mortgage, and ad valorem taxes. Data on improvement costs were supplied by the planner while the remaining elements were developed by the economist.

Capital Investments

The site contains approximately 38,500 square feet. This block is now the first block south of the true "downtown" part of Fayetteville Street. In the plan, it would become a key link between the downtown commercial activities and the Civic Center and the Civic Center Plaza, which would border it on the south. A "new" Sir Walter Hotel would face it across the Fayetteville Street Mall. The architectural solution proposes a 312,000 gross square foot office building with a 40,000 square foot shopping arcade on the street level.

The cost of acquiring and preparing the land is estimated at \$693,000 or \$18 per square foot. This is roughly three times the current per square foot assessed value of the land. Gross construction costs of the improvements are estimated at \$30 per square foot for the office and \$24 per square foot for the retail space. No parking is provided on the site, it being assumed that nearby parking facilities indicated in the plan would suffice. Total capital investment would be \$11,013,000.

Mortgage Requirement

For analysis purpose, it has been assumed that the development would be undertaken by one organization and that it would carry a 75 percent mortgage, or \$8,260,000. It was further assumed that the terms of this mortgage would be 25 years at 8.5 percent interest, requiring \$97.70 per \$1,000 per year debt service. Total annual debt service, therefore, would be \$807,000.

Revenue and Operating Expense Assumptions

Separate revenue and operating expense estimates have been made for the two types of business operations proposed. The 312,000 square feet of gross office space was assumed to produce 250,000 square feet of net rentable floor area. In our judgment, the first-class office space in a building at this location could command premium rents of \$6.50 per square foot per year. Thus, gross office rent receipts would total \$1,625,000. Operating costs have been calculated at \$1.75 per square foot and include allowances for management fees, insurance, maintenance and repair, janitorial services. A frictional vacancy factor of 5 percent of total potential gross rents, operating costs and vacancy provisions total \$515,000 (almost 32 percent of gross rents) resulting in a net annual return of \$1,110,000.

A total of 35,000 square feet of net rentable retail space has been calculated with almost all of this on the Fayetteville Street Mall level. An annual rent of \$8.00 per square foot for this space has been assumed since it is believed that this figure can be obtained from the small specialty stores and shops that will be attracted to this space. The rent will produce \$280,000 in gross revenues per year. Operating costs and a 5 percent vacancy allowance would result in expenses of \$35,000, giving a net annual return from the retail space of \$245,000.

Ad Valorem Taxes

Taxes are estimated at \$3.55 per \$1,000 of assessed valuation. Assessed valuation has been assumed to be 50 percent of total capital investment or \$5,507,000. This means that the local governments would realize \$195,500 per year from this project in property taxes.

Return on Equity

The cost, revenue and expense factors analyzed above, is summarized in the following operating statement. The estimated gross return of \$352,500 represents 12.8 percent return on the equity investment of \$2,753,000. This calculated return is considered to be a conservative minimum and based on realistic estimates of gross rents and revenues.

Operating Analysis of a Private Development Project
Central Raleigh

Capital Requirements

Site Acquisition & Preparation	\$ 693,000	
Improvements	10,320,000	
Total Project Costs		\$11,013,000
Mortgage, 75 percent	\$ 8,260,000	
Equity Investment		\$ 2,753,000

Operating Statement

Gross Rents from Retail	\$ 280,000	
Less Operating Costs and Vacancies (12.5%)	35,000	
Net Rents from Retail		\$ 245,000
Gross Rents from Office	\$ 1,625,000	
Less Operating Costs and Vacancies (31.7%)	515,000	
Net Rents from Office		\$ 1,110,000
Net Operating Income Total		\$ 1,355,000
Less Ad Valorem Taxes	\$ 195,500	
Operating Profit		\$ 1,159,500
Less Debt Service	\$ 807,000	
Gross Return		\$ 352,500
Return on Equity Investment		12.80%

