

To	Marchell Adams-David, City Manager
Thru	Patrick O. Young, AICP, Director
From	Jason Hardin, AICP
Department	Planning and Development
Date	February 14, 2022
Subject	City Council agenda item for March 1, 2022– Z-43-21

On January 18, 2022, City Council authorized the public hearing for the following item:

Z-43-21 215 S. McDowell Street and 123 W. Hargett Street, approximately 3.3 acres consisting of the majority of the block bounded by [Hargett, Salisbury, Martin, and McDowell streets](#).

Current zoning: Downtown Mixed Use-Twenty Stories-Shopfront (DX-20-SH)

Requested zoning: Downtown Mixed Use-Forty Stories-Shopfront (DX-40-SH)

The request is **consistent** with the 2030 Comprehensive Plan.

The request is **consistent** with the Future Land Use Map.

The request is **consistent** with the Urban Form Map.

The Planning Commission recommends approval of the request (7- 0).

Attached are the Planning Commission Certified Recommendation (including Staff Report), the Petition for Rezoning, and the Neighborhood Meeting Report.



RALEIGH PLANNING COMMISSION CERTIFIED RECOMMENDATION

CR# 13090

CASE INFORMATION: Z-43-21 HARGETT, SALISBURY, MARTIN, McDOWELL

Location	The majority of the block bounded by Hargett, Salisbury, Martin, and McDowell streets. Address: 215 S. McDowell Street, 123 W. Hargett Street PINs: 1703684170, 1703684300 iMaps , Google Maps , Directions from City Hall
Current Zoning	DX-20-SH
Requested Zoning	DX-40-SH
Area of Request	3.3 acres
Corporate Limits	The subject site is located within the corporate limits and is surrounded by properties also within corporate limits.
Property Owner	Phoenix III of Raleigh, LLC
Applicant	Phoenix III of Raleigh, LLC
Council District	C
PC Recommendation Deadline	March 12, 2022

SUMMARY OF PROPOSED CONDITIONS

1. None

COMPREHENSIVE PLAN GUIDANCE

Future Land Use	Central Business District
Urban Form	Downtown, Core Transit Area
Consistent Policies <i>Key policies are marked with a dot (●)</i>	<ul style="list-style-type: none">● Policy LU 1.2—Future Land Use Map and Zoning Consistency● Policy LU 4.6—Transit-Oriented Development● Policy LU 4.7—Capitalizing on Transit Access● Policy LU 4.8—Station Area Land Uses● Policy H 1.8—Zoning for Housing● Policy DT 1.3—Underutilized Sites in Downtown● Policy DT 1.16—High Density Development
Inconsistent Policies	None

FUTURE LAND USE MAP CONSISTENCY

The rezoning case is ☒ **Consistent** ☐ **Inconsistent** with the Future Land Use Map.

COMPREHENSIVE PLAN CONSISTENCY

The rezoning case is ☒ **Consistent** ☐ **Inconsistent** with the 2030 Comprehensive Plan.

PUBLIC MEETINGS

First Neighborhood Meeting	Second Neighborhood Meeting	Planning Commission	City Council
June 8, 2021, 15 attendees	Dec 8, 2021, five attendees	January 11, 2022 (recommend approval)	January 18, 2022

REZONING ENGAGEMENT PORTAL RESULTS

Views	Participants	Responses	Comments
56	0	0	0
Summary of Comments: No comments received			

PLANNING COMMISSION RECOMMENDATION

The rezoning case is **Consistent** with the Future Land Use Map and **Consistent** with the relevant policies in the Comprehensive Plan, furthermore **Approval** is reasonable and in the public interest because:

Reasonableness and Public Interest	The request is reasonable and in the public interest, as it would allow more people to live and work downtown, the part of the city that is the most walkable and has the highest level of transit service; support downtown businesses; and reduce per capita transportation emissions by allowing more people to live or work in a location where transportation emissions are the lowest.
Change(s) in Circumstances	
Amendments to the Comprehensive Plan	N/A
Recommendation	Approve

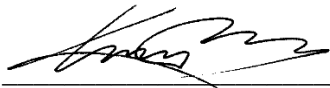
Motion and Vote	<p>Motion: Miller. Second: Rains.</p> <p>In Favor: Bennett, Dautel, Fox, Lampman, Miller, O'Haver and Rains.</p> <p>Opposed: None</p>
Reason for Opposed Vote(s)	N/A

ATTACHMENTS

1. Staff report
2. Rezoning Application

This document is a true and accurate statement of the findings and recommendations of the Planning Commission. Approval of this document incorporates all of the findings of the attached Staff Report and Comprehensive Plan Amendment Analysis.

INSERT SIGNATURE HERE UPON RECEIPT OF CR#



Ken A. Bowers, AICP
Planning and Development Deputy Director

1/11/22

Date:

Staff Coordinator: Jason Hardin: (919) 996-2657; Jason.Hardin@raleighnc.gov



ZONING STAFF REPORT – CASE Z-43-21

General Use

OVERVIEW

This rezoning request would allow additional building height to existing zoning on 3.3 acres on most of a central downtown block bounded by Hargett, Salisbury, Martin, and McDowell streets. The current zoning is Downtown Mixed Use-20 Stories-Shopfront. The request is for Downtown Mixed Use-40 Stories-Shopfront.

The request consists of two parcels on the site formerly occupied by The News and Observer. The buildings are currently vacant. The site is immediately east of Nash Square. The properties were part of a site plan filed in 2019 for a project called Nexus. That plan did not proceed to final approval.

All adjacent properties are zoned Downtown Mixed Use, with permitted building heights ranging from three to 40 stories. All adjacent properties, with the exception of Nash Square itself, are also zoned with Urban Frontage designations.

The subject and adjacent sites are designated as Central Business District on the Future Land Use Map. Similarly, the site and all adjacent properties are designated as Downtown and Core Transit Area on the Urban Form Map. Together, these designations recommend high density, walkable, transit-oriented, urban scale development.

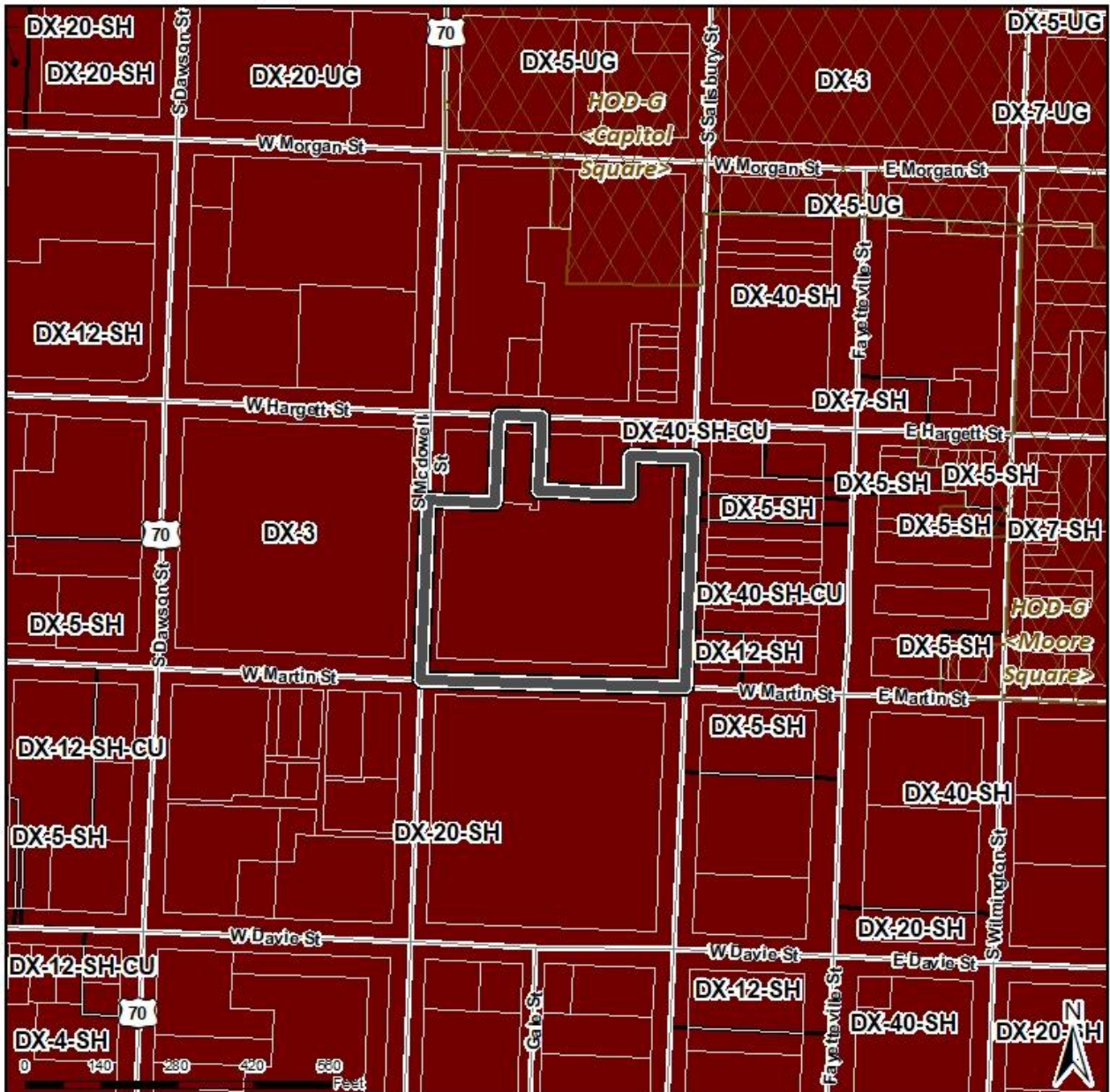
The site is within a short walk of GoRaleigh station, which serves the city and region with numerous transit routes. It is also within a short walk of a planned bus rapid transit (BRT) station on Wilmington Street, which is part of a series of BRT stations along New Bern Avenue; construction is set to begin in 2022.

OUTSTANDING ISSUES

Outstanding Issues	1. None	Suggested Mitigation	1. None
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Existing Zoning

Z-43-2021



Property	215 S McDowell St; 123 W Hargett St
Size	3.3 acres
Existing Zoning	DX-20-SH
Requested Zoning	DX-40-SH

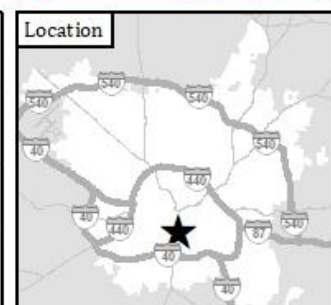


Future Land Use

Z-43-2021

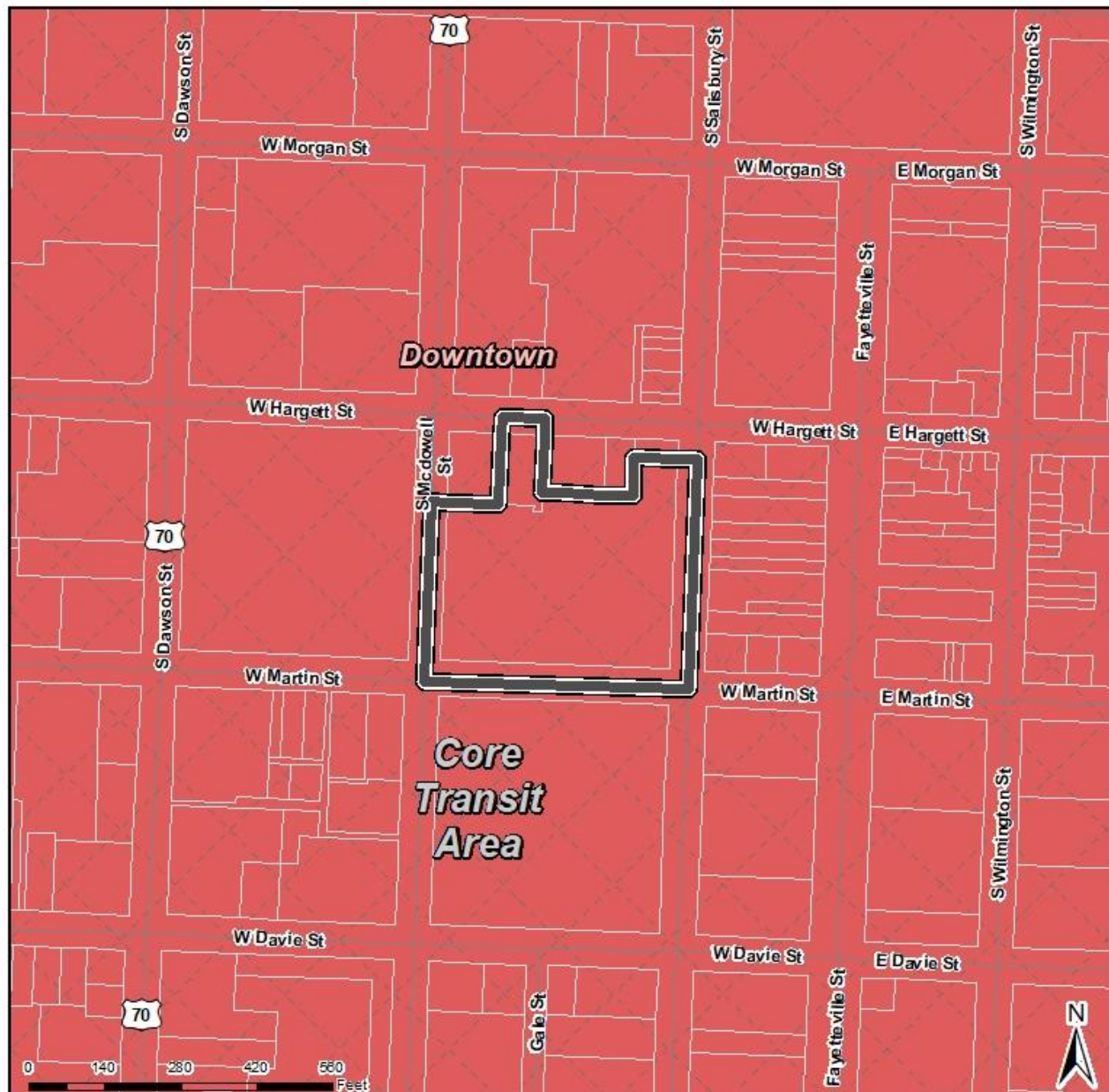


Property	215 S McDowell St; 123 W Hargett St
Size	3.3 acres
Existing Zoning	DX-20-SH
Requested Zoning	DX-40-SH

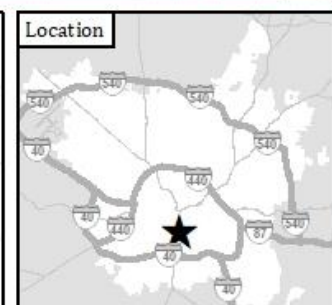


Urban Form

Z-43-2021



Property	215 S McDowell St; 123 W Hargett St
Size	3.3 acres
Existing Zoning	DX-20-SH
Requested Zoning	DX-40-SH



COMPREHENSIVE PLAN

Determination of the conformance of a proposed use or zone with the Comprehensive Plan includes consideration of the following questions:

- A. Is the proposal consistent with the vision, themes, and policies contained in the Comprehensive Plan?

The request is consistent with the **Managing Our Growth** vision theme. This theme encourages integrated land uses; providing desirable spaces and places to live, work, and play; and development in areas where infrastructure is already in place. An increase in vertical mixed-use development within downtown, which has the highest concentration of employment and transit options available in the city, fulfills these goals.

The request is consistent with the **Coordinating Land Use and Transportation** vision theme. This theme envisions higher density residential and mixed-use development to support new local and regional public transit services. The subject site, which is two blocks from the proposed future RUS Bus facility and 0.5 miles from GoRaleigh Station at Moore Square, will have some of the best access to transit anywhere in the city.

- B. Is the use being considered specifically designated on the Future Land Use Map in the area where its location is proposed?

Yes. The subject site is classified as Central Business District on the Future Land Use Map, which recommends the Downtown Mixed Use zoning district.

- C. If the use is not specifically designated on the Future Land Use Map in the area where its location is proposed, is it needed to service such a planned use, or could it be established without adversely altering the recommended land use and character of the area?

N/A

- D. Will community facilities and streets be available at City standards to serve the use proposed for the property?

Yes, community facilities and streets appear to be sufficient to serve the proposed use.

Future Land Use

Future Land Use designation: Central Business District

The rezoning request is

☒ **Consistent** with the Future Land Use Map.

☐ **Inconsistent**

The request is for Downtown Mixed Use zoning. The subject site is classified as Central Business District on the Future Land Use Map, which recommends the Downtown Mixed Use zoning district.

Due to the site's proximity to the future RUS Bus facility, this location would be classified as Core/Transit in Table LU-2, which recommends heights of 3 to 40 stories.

Urban Form

Urban Form designation: Downtown, Core Transit Area

The rezoning request is

☒ **Consistent** with the Urban Form Map.

☐ **Inconsistent**

Overview: The site is located within the Downtown Center and the Core Transit Areas, which suggest an urban frontage. The request includes a Shopfront frontage.

Impact: The Shopfront frontage is intended for areas where the highest level of walkability is desired. Only mixed use and civic buildings are allowed, and street-facing entrances can be spaced no more than 50 feet apart. This frontage has the strictest build-to standards, with at least 80% of the lot's frontage required to have a building within 0 or 15 feet from the right-of-way. No parking is permitted between buildings and the street.

Compatibility

The proposed rezoning is

☒ **Compatible** with the property and surrounding area.

☐ **Incompatible.**

The density and building types permitted in DX districts are compatible with the urban nature of this part of the city. Nearby zoning districts include DX-12, DX-20, and DX-40

Public Benefits of the Proposed Rezoning

- The rezoning would allow more people to live and work downtown, the part of the city that is the most walkable and has the highest level of transit service.
- The rezoning would support downtown businesses.

- The rezoning would reduce per capita transportation emissions by allowing more people to live or work in a location where transportation emissions are the lowest.

Detriments of the Proposed Rezoning

- None

Policy Guidance

Key policies are directly related to changes in zoning and are used to evaluate rezoning request consistency. They are marked with an orange dot (●).

*The rezoning request is **consistent** with the following policies:*

● **Policy LU 1.2—Future Land Use Map and Zoning Consistency**

The Future Land Use Map shall be used in conjunction with the Comprehensive Plan policies to evaluate zoning consistency including proposed zoning map amendments and zoning text changes.

- The request is consistent with the Future Land Use Map designation of Central Business District, which envisions a mix of high-intensity office, retail, housing, government, institutional, visitor-serving, cultural, and entertainment uses.

Policy LU 4.6—Transit-oriented Development

Promote transit-oriented development around planned bus rapid transit (BRT) and fixed commuter rail stations through appropriate development regulation, education, station area planning, public-private partnerships, and regional cooperation.

● **Policy LU 4.7—Capitalizing on Transit Access**

Sites within walking distance of existing and proposed rail and bus rapid transit stations should be developed with intense residential and mixed uses to take full advantage of and support investment in transit infrastructure.

● **Policy LU 4.8—Station Area Land Uses**

A complementary mix of uses, including multifamily residential, offices, retail, civic, and entertainment uses, should be located within transit station areas.

- The request would allow more people to live and work in an area close to the city's two primary transit facilities, GoRaleigh Station and Union Station (and future RUS BUS facility).

● **Policy H 1.8 Zoning for Housing**

Ensure that zoning policy continues to provide ample opportunity for developers to build a variety of housing types, ranging from single-family to dense multi-family. Keeping the market well supplied with housing will moderate the costs of owning and renting, lessening affordability problems, and lowering the level of subsidy necessary to produce affordable

housing. In areas characterized by detached houses, accommodations should be made for additional housing types while maintaining a form and scale similar to existing housing.

- The request would allow significantly more homes to be built on the site, helping to moderate price increases in the city.

● **Policy DT 1.16—High Density Development**

Highest density development should occur along the axial streets (Hillsborough Street, Fayetteville Street and New Bern Avenue), major corridors (as identified by the thoroughfare plan), surrounding the squares, and within close proximity to planned transit stations.

- The site is next to Nash Square and within walking distance of GoRaleigh Station, the planned RUS Bus facility, and Raleigh Union Station. The DX-40-SH zoning district allows a development intensity appropriate for a site with this level of transit access.

Policy DT 1.3—Underutilized Sites in Downtown

Encourage the redevelopment of underutilized sites in downtown, included but not limited to vacant sites, surface parking lots, and brownfield sites.

- The site is currently occupied by vacant, low-scale buildings. The request for 40-story mixed-use zoning will facilitate the redevelopment of the site with substantial amounts of residential, office, and/or retail space.

*The rezoning request is **inconsistent** with the following policies:*

None

Area Plan Policy Guidance

None

EQUITY AND CLIMATE CHANGE ANALYSIS

Transportation Cost and Energy Analysis

	City Average	Site	Notes
Transit Score	30	77	The walk score for the site is much higher than the citywide average.
Walk Score	30	96	The transit score for the site is much higher than the citywide average.
Bike Score	41	94	The bike score for the site is much higher than the citywide average.
HUD Low Transportation Cost Index	[N/A, index is expressed as a percentile.]	88	Downtown has some of the lowest transportation costs in Raleigh.
HUD Jobs Proximity Index	[N/A, index is expressed as a percentile.]	97	Downtown has some of the highest access to jobs in Raleigh.

Source: [Walk Score](#) is a publicly available service that measures pedestrian friendliness by analyzing population density and road metrics such as block length and intersection density. The higher the Transit Score or Walk Score, the greater the percentage of trips that will be made on transit or by walking, and the smaller the carbon footprint. HUD index scores are percentiles indicating how well the subject tract performs compared to all other census tracts in the United States. A higher percentile for Low Transportation Cost or Jobs Proximity indicates a lower the cost of transportation and higher access to jobs in the nearby area, respectively.

Housing Energy Analysis

Housing Type	Average Annual Energy Use (million BTU)	Permitted in this project?
Detached House	82.7	Yes
Townhouse	56.5	Yes
Small Apartment (2-4 units)	42.1	Yes
Larger Apartment	34.0	Yes

Source: U.S. Energy Information Administration, 2015 survey. Statistics for residential structures in the South.

Housing Supply and Affordability

Does the proposal add or subtract from the housing supply?	Adds significantly
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Is naturally occurring affordable housing present on the site?	No	
Does it include any subsidized units?	No	
Does it permit a variety of housing types beyond detached houses?	Yes	
If not a mixed-use district, does it permit smaller lots than the average? *	It is mixed-use	
Is it within walking distance of transit?	Yes	Within walking distance of both GoRaleigh Station and Union Station.

**The average lot size for detached residential homes in Raleigh is 0.28 acres.*

Demographic Indicators from EJSCREEN*

Indicator	Site Area	Raleigh
Demographic Index** (%)	40	36
People of Color Population (%)	41	39
Low Income Population (%)	37	33
Linguistically Isolated Population (%)	1	4
Population with Less Than High School Education (%)	10	13
Population under Age 5 (%)	4	6
Population over Age 64 (%)	11	15
% change in median rent since 2015	35.3	25.6

**Environmental Justice Screening and Mapping Tool from the Environmental Protection Agency
(<https://www.epa.gov/ejscreen>)*

***The Demographic Index represents the average of the percentage of people who are low income and the percentage of people who are minorities*

Health and Environmental Analysis

What is the life expectancy in this census tract? Is it higher or lower than the city average*?	73.4 (yrs)	The life expectancy for residents in the area is lower than the city and county average.
Are there known industrial uses or industrial zoning districts within 1,000 feet?	Yes	The former News & Observer publishing facility is listed by DEQ as a hazardous waste site, likely due to printing processes.
Are there hazardous waste facilities are located within one kilometer?	Yes	The CVS pharmacy on Fayetteville Street is listed by DEQ as a hazardous waste site, likely due to the pharmacy use.
Are there known environmental hazards, such as flood-prone areas, that may directly impact the site?	No	
Is this area considered a food desert by the USDA?	No	A Weaver Street Market grocery store is located one block to the west.

**Raleigh average = 79.9; Wake County average = 80.3*

Land Use History

When the property was annexed into the City or originally developed, was government sanctioned racial segregation in housing prevalent?*	Yes	This site was included in the original Christmas Plan in 1792.
Has the area around the site ever been the subject of an urban renewal program?*	No	
Has the property or nearby properties ever been subject to restrictive covenants that excluded racial groups?*	None found	
Are there known restrictive covenants on the property or nearby properties that restrict development beyond what the UDO otherwise requires?*	None found	

**The response to this question is not exhaustive, and additional information may be produced by further research. Absence of information in this report is not conclusive evidence that no such information exists.*

Analysis Questions

1. Does the rezoning increase the site's potential to provide more equitable access to housing, employment, and transportation options? Does the rezoning retain or increase options for housing and transportation choices that reduce carbon emissions?

Response: The rezoning request would increase potential housing supply. The request would also increase the potential housing supply near the proposed future RUS Bus facility and GoRaleigh Station at Moore Square, a location that will have some of the best access to transit anywhere in the city. Allowing more people to live and work in a walkable area near transit decreases per capita carbon emissions.

2. Is the rezoning in an area where existing residents would benefit from access to lower cost housing, greater access to employment opportunities, and/or a wider variety of transportation modes? Do those benefits include reductions in energy costs or carbon emissions?

Response: The existing residents of the area display a slightly higher degree of economic vulnerability as the average Raleigh resident, according to the gathered demographic data. Allowing for more production at this location is one potential way to reduce market pressure that increases prices.

3. Have housing costs in this area increased in the last few years? If so, are housing costs increasing faster than the city average?

Response: Housing costs in this area rose more quickly between 2015 and 2019 than they have in Raleigh as a whole. The median rent increased 35.3% between 2015 and 2019, compared to 25.6% for the city.

4. Are there historical incidences of racial or ethnic discrimination specific to this area that have deprived Black, Indigenous, and People of Color (BIPOC) of access to economic opportunity, public services, or housing? If so, does the rezoning request improve any current conditions that were caused, associated with, or exacerbated by historical discrimination?

Response: The longtime owner and publisher of the News and Observer, Josephus Daniels, was a prominent supporter of white supremacy and opponent of Black voting and other rights. The existing buildings date to 1938, during the period of Jim Crow racial segregation in the south. The rezoning request, by potentially creating more housing downtown, could reduce demand in nearby neighborhoods where rising housing values are causing displacement of Black residents.

5. Do residents of the area have disproportionately low life expectancy, low access to health insurance, low access to healthy lifestyle choices, or high exposure to environmental hazards and/or toxins? If so, does the rezoning create any opportunities to improve these conditions?

Response: The collected indicators suggest nearby residents have lower life expectancy than the average resident of Raleigh.

IMPACT ANALYSIS

Historic Resources

The site is not located within or adjacent to a Raleigh Historic Overlay District. It does not include any National Register individually-listed properties or Raleigh Historic Landmarks. The site is directly adjacent to the HJ Coffin House and Professional Building Raleigh Historic Landmarks. The Professional Building is also individually-listed on the National Register. The site is adjacent to a National Register Historic District, the Fayetteville Street Historic District.

Impact Identified: None requiring mitigation.

Parks and Recreation

1. This site is not directly impacted by any existing or proposed greenway trails, corridors, or connectors.
2. Nearest existing park access is provided by Nash Square (50 ft) and City of Raleigh Museum (250 ft).
3. Nearest existing greenway trail access is provided by the Martin St. Connector Greenway Trail (415 ft).
4. Current park access level of service in this area is graded an A letter grade.
5. Although there are public park resources in the vicinity, based on population density projections this area is a high priority for enhanced development of the following elements:
 - a. Publicly Accessible Open Space
 - b. Public Art
 - c. Public Play Areas
 - d. Pet Amenity Areas
6. Raleigh's Comprehensive Plan has many policies to support the addition of the above elements to the proposed rezoning.
 - a. Comp Plan PR 1.7 New Parks in Growth Centers "Create new urban parks and enhance existing urban parks throughout Growth Centers using proactive planning, partnerships and innovative approaches"
 - b. Comp Plan PR 4.8 Private Parks "Encourage the provision of tot lots, pocket parks, and other privately-held and -maintained park spaces within residential developments to complement public park facilities"
 - c. Comp Plan PR 5.4 Improving Park Access "Public spaces should be included in private developments that can connect to and benefit from their proximity to public infrastructure and spaces such as greenway trails, public sidewalks, and plazas"
 - d. Comp Plan AC 1.1 Public Art and Neighborhood Identity "encourage the use of public art to create a neighborhood identity"

Impact Identified: None requiring mitigation.

Public Utilities

	Maximum Demand (current use)	Maximum Demand (current zoning)	Maximum Demand (proposed zoning)
Water	250	311,500	606,250
Waste Water	250	311,500	606,250

1. The proposed rezoning would add 606,000 gpd to the wastewater collection and water distribution systems of the City. There are existing sanitary sewer and water mains adjacent to the proposed rezoning area

Impact Identified: None requiring mitigation.

Stormwater

Floodplain	None
Drainage Basin	Rocky
Stormwater Management	Subject to stormwater regulations under Article 9 of UDO.
Overlay District	None

Impact Identified: None requiring mitigation.

Transportation

Site Location and Context

Location

The Z-43-21 site is located in Downtown Raleigh, it takes up most of the block bounded by McDowell Street, Hargett Street, Martin Street and Salisbury Street.

Other Projects in the Area

GoRaleigh is designing bus rapid transit (BRT) infrastructure to provide a dedicated transitway between GoRaleigh Station and Wake Med Hospital. The service will extend beyond the I-440 beltway.

The City of Raleigh is beginning design to implement additional phases of the Blount Street, Person Street Corridor Plan, including potentially converting the street to two-way operations.

The City of Raleigh is designing an extension of West Street between Martin Street and Cabarrus Street to pass under the railroad tracks. This project will include a separated bikeway that extends the Downtown North-South Greenway Connector.

Existing and Planned Infrastructure

Existing Streets

The subject property has frontage on South McDowell Street, West Hargett Street, West Martin Street and South Salisbury Street. Hargett and Martin Streets are designated as Main Street with parallel parking in Map T-1 of the Comprehensive Plan (Street Plan) and are maintained by the City of Raleigh. McDowell Street is designated as a Divided Six Lane Avenue in map T-1 of the Comprehensive Plan (Street plan) and is maintained by NCDOT. McDowell Street is the northbound half of a one-way pair with Dawson Street. The “median” of this divided street is the blocks between Dawson and McDowell Street. Salisbury Street is designated as 4-Lane Avenue, Parallel Parking and is maintained by the City of Raleigh. Salisbury Street is the southbound half of a one-way pair with Wilmington Street.

Street Network

In accordance with UDO section 8.3.2, the maximum block perimeter for DX Zoning districts is 2,000 feet. The existing block perimeter is approximately 1,660 feet.

Pedestrian Facilities

Sidewalks are complete in the vicinity of the subject property. Subdivisions and tier 3 site plans require upgrades to streetscapes in accordance with UDO Article 8.4.

Bicycle Facilities

There is an existing bike lane on Salisbury Street and shared lane markings on Hargett street adjacent to the Z-43-21 site. The long-term bike plan (Map T-3 in the Comprehensive Plan) designates Hargett Street as a Main Street Bikeway while Martin Street and McDowell Streets are designated for a separated bikeways.

There are several other existing bikeways within proximity of the site. The Downtown North-South Greenway Connector (DTNS Connector) is located approximately 0.25 mile feet north-west of the site. The DTNS Connector includes a separated bikeway on Harrington and West Streets between Peace and Martin Street.

The Z-43-21 site is within the bikeshare service area. Stations nearest the site are at the Raleigh Municipal Building and Fayetteville Street at Exchange Plaza. While within guidelines for maximum bikeshare station spacing, there is a positive correlation between station density and ridership in larger systems like Citibike (New York City), Capital Bikeshare (Washington, DC), and Hubway (Boston, MA). Given the density of this area within Downtown Raleigh in general and this zoning request specifically, an additional station near this site would increase bikeshare ridership and may help to mitigate traffic concerns. If the applicants wishes, Transportation Staff can help the applicant craft a condition requiring installation of bikeshare infrastructure.

Transit

The Z-43-21 site is well served by existing public transit. It is less than 0.25 mile from GoRaleigh Station.

Access

Access to the subject site may be via South Dawson Street or East Davie Street.

Traffic Impact Analysis (TIA)

TIA Determination

Based on the Envision results, approval of case Z-43-21 would increase the amount of projected vehicular peak hour trips to and from the site as indicated in the table below. The proposed rezoning from DX-20-SH to DX-40-SH is projected to generate 564 new trips in the AM peak hour and 577 new trips in the PM peak hour. These values triggered a rezoning Traffic Impact Analysis based on the trip generation thresholds in the Raleigh Street Design Manual.

Z-43-21 Existing Land Use	Daily	AM	PM
Office, Parking, and Industrial	1,078	123	108
Z-43-21 Current Zoning Entitlements	Daily	AM	PM
Downtown Mixed Use	6,560	607	684
Z-43-21 Proposed Zoning Maximums	Daily	AM	PM
Downtown Mixed Use	12,315	1,171	1,261
Z-43-21 Trip Volume Change (Proposed Maximums minus Current Entitlements)	Daily	AM	PM
	5,755	564	577

TIA Review

A traffic Impact Analysis (TIA) was prepared by Kimley-Horn & Associates (KHA) for Z-43-21 and reviewed by city staff. The analysis indicates that buildout under the proposed rezoning will have impacts to the surrounding roadway network beyond those of the buildout under the existing zoning. Those impacts can be mitigated with the improvements recommended in the TIA.

City Staff agrees with the overall rezoning analysis but recommends coordination to determine if the proposed mitigation will impact implementation of the bike plan at the intersection of Martin Street with McDowell Street. Please refer to the attached TIA review memo for additional details about the analysis.

Impact Identified: Increased transportation demand, mitigated by improvements recommended in TIA, including restriping to add a right turn lane on westbound Martin Street to McDowell Street.

Urban Forestry

The site is already developed.

Impact Identified: No impacts.

Impacts Summary

Increased activation of area parks, higher numbers of pedestrians and transportation demand in general.

Mitigation of Impacts

Restriping turn lane on Martin Street, otherwise none beyond that required by code.

CONCLUSION

The requested zoning district will permit a significant increase in housing and employment opportunities on a block in the heart of downtown that currently has vacant, low-scale buildings. The property is located within short walking distance to GoRaleigh Station, which operates numerous local and regional transit services, as well as to Union Station and future BRT service. It is in the most walkable area of the city, meaning trips are much less likely to be in cars compared to other locations.

The request is consistent with multiple Plan policies that address increasing housing supply, supporting transit investments, reducing transportation-related carbon emissions, and allowing more people to live and work Downtown. For these reasons, the request is consistent with the 2030 Comprehensive Plan overall.

CASE TIMELINE

Date	Action	Notes
June 8, 2021	First neighborhood meeting	15 attendees
June 29, 2021	Petition filed	DX-40-SH
December 8, 2021	Second neighborhood meeting	Five attendees
January 11, 2022	Planning Commission review begins	

APPENDIX

SURROUNDING AREA LAND USE/ ZONING SUMMARY

SUBJECT PROPERTY		NORTH	SOUTH	EAST	WEST
Existing Zoning	DX-20-SH	DX-20-SH	DX-20-SH	DX-40-SH-CU; DX-12-SH; DX-5-SH	DX-3
Additional Overlay	-	-	-	-	-
Future Land Use	Central Business District	Central Business District	Central Business District	Central Business District	Public Parks and Open Space
Current Land Use	Vacant office/industrial	Church, office, retail	Office	Retail	Park
Urban Form	Downtown, Core Transit	Downtown, Core Transit	Downtown, Core Transit	Downtown, Core Transit	Downtown, Core Transit

CURRENT VS. PROPOSED ZONING SUMMARY

EXISTING ZONING		PROPOSED ZONING
Zoning	DX-20-SH	DX-40-SH
Total Acreage	3.3 acres	
Setbacks:		
Hargett	0'-15'	0'-15'
Martin	0'-15'	0'-15'
McDowell	0'-15'	0'-15'
Salisbury	0'-15'	0'-15'
Rear/Side (north)	0' or 6'	0' or 6'
Residential Density:	378 units/acre	734 units/acre
Max. # of Residential Units	1,246	2,425
Max. Gross Office SF	732,000	1,440,000
Max. Gross Retail SF	70,000	70,000

*The development intensities for proposed zoning districts were estimated using an impact analysis tool. The estimates presented are only to provide guidance for analysis.

Relevant Minutes from January 11, 2022 Planning Commission Meeting

AGENDA ITEM (D): NEW BUSINESS - Continued

AGENDA ITEM (D) 1: Z-43-21 – 215 S. McDowell Street and 123 W. Hargett Street.

This case is located 215 S. McDowell Street and 123 W. Hargett Street, consisting of the majority of the block bounded by Hargett, Salisbury, Martin, and McDowell streets.

Approximately 3.3 acres are requested by Phoenix III of Raleigh, LLC to be rezoned from Downtown Mixed Use-20 Stories-Shopfront (DX-20-SH) to Downtown Mixed Use-40 Stories-Shopfront (DX-40-SH).

The request is consistent with the 2030 Comprehensive Plan.

The request is consistent with the Future Land Use Map.

The deadline for Planning Commission action is March 12, 2022.

Planner Hardin presented the case.

Mack Paul representing the applicant gave a brief overview of the case.

Anne Franklin spoke regarding not being notified of first neighborhood meeting; what are the step-backs; applicant consider element to help city meeting affordable housing goals; delighted about new neighbors and would like to include help with dog/cat eliminations. Appreciates all the work being done and hope commission would take her concerns into consideration.

There was discussion regarding parking or screening for this district.

Planner Hardin responding regarding there being no specific requirements for parking screening.

Deputy Director Bowers responded regarding urban frontage having to have active uses; parking has to have screening and building is not seen from front and so there are basic provision for this.

Mack Paul spoke regarding amenities to Nash Square; possible dog washes and/or pet provisions.

Transportation Myers spoke regarding the coordination mentioned in the TIA.

Ms. Miller made a motion to recommend approval of the case. Mr. Rains seconded the motion.

Commissioners, how do you vote?

Bennett (Aye), Dautel (Aye), Chair Fox (Aye), Lampman (Aye), Miller (Aye), O'Haver (Aye), and Rains (Aye).

The vote is unanimous, 7-0.



Raleigh

MEMO

TO: Bynum Walter, AICP, Comprehensive Planning Supervisor

FROM: Anne Conlon, PE, Senior Transportation Engineer

DATE: November 8, 2021

SUBJECT: Traffic Impact Analysis Review for Z-43-21 – N&O Rezoning

We have reviewed the Traffic Impact Analysis (TIA) prepared by Kimley-Horn & Associates (KHA) for the N&O rezoning, case number Z-43-21. The following memorandum summarizes the most relevant information pertaining to rezoning in the study as well as City Staff's review of the analysis and recommendations. A separate memo will be completed regarding the other content in the TIA to support site plan review.

Development Details

<i>Site Location:</i>	Encompassed by S McDowell Street, W Hargett Street, S Salisbury Street, and W Martin Street in Downtown Raleigh
<i>Address:</i>	215 S McDowell St, 123 W Hargett St
<i>Property PIN(s):</i>	1703684170, 1703684300
<i>Current Zoning:</i>	DX-20-SH
<i>Proposed Zoning:</i>	DX-40-SH
<i>Existing Land Use:</i>	Office
<i>Allowable Land Use:</i>	732,000 SF of Office
<i>Maximum Proposed Zoning Land Use:</i>	1,440,000 SF of Office
<i>Build-out Year:</i>	2024

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)

Site Context

Transportation access is provided to the site via the following infrastructure:

- *Roadway*
 - S McDowell Street - existing and planned 6-Lane divided avenue, 21,000 Average Daily Traffic (ADT) as of 2019, 35 mph
 - S Salisbury Street - existing and planned 4-lane avenue with parallel parking, 4,800 ADT as of 2019, 35 mph
 - W Hargett Street - existing and planned 2-lane main street with parallel parking, 3,700 ADT as of 2019, 35 mph
 - W Martin Street - existing and planned 2-lane main street with parallel parking, 3,900 ADT as of 2019, 35 mph
- *Transit*
 - Route 7: South Sanders, 60-minute peak hour service to downtown
 - Route 8: Six Forks, 60-minute peak hour service to downtown
 - Route 13: Chavis Heights, 30-minute peak hour service to downtown
 - Route 21: Caraleigh, 30-minute peak hour service to downtown
 - Route 300: Cary-Raleigh, 30-minute peak hour service to downtown
 -
- *Pedestrian*
 - There are existing sidewalks and crosswalks within the study area.
- *Bicycle*
 - There is one existing bicycle lane along S Salisbury Street. According to the Long-Term Bike Plan, both S McDowell Street and Martin Street are planned to have a separated bikeway and W Hargett Street is designated as a Main Street bikeway.

Study Area

The following intersections were studied as part of this TIA:

- | | |
|---|----------------|
| • S McDowell Street at W Martin Street | (Signalized) |
| • S Salisbury at W Martin Street | (Signalized) |
| • S McDowell Street at W Davie Street | (Signalized) |
| • S Salisbury Street at W Davie Street | (Signalized) |
| • W Martin Street at Site Driveway 1 | (Unsignalized) |
| • S Salisbury Street at Site Driveway 2 | (Unsignalized) |
| • W Davie Street at Site Driveway 3 | (Unsignalized) |
| • S McDowell at Site Driveway 4 | (Unsignalized) |

Study Scenarios

The following scenarios were studied as part of this TIA:

- 2021 Existing
- 2024 Background Year
- 2024 Full Build-out with Current Zoning
- 2024 Full Build-out with Proposed Zoning

Traffic Volumes and Trip Generation

KHA made the following assumptions as agreed to by City staff:

- Historical traffic count data from 2019 was obtained from the Nexus TIA (SR-12-2019) and was used to represent existing 2021 volumes.
- A 1% growth rate was applied for projected volumes (2024).
- There are no background developments in the site area.
- City staff provided trip generation scenarios for the current and proposed zoning scenarios based on the City Envision analysis. The results, based on the 10th Edition ITE Trip Generation Manual, are summarized in Tables 1 and 2. Staff notes that no reductions for internal capture, pass-by trips, or the theoretical removal of the existing land uses were included.

Table 1: Current Zoning Trip Generation

Table 3.3 Current Zoning Trip Generation - Vehicle Trips									
Land Use Code	Land Use	Intensity		Daily		AM Peak Hour		PM Peak Hour	
				In	Out	In	Out	In	Out
710	General Office Building	732,000	s.f.	3,080	3,080	472	77	105	511
Total External Person Trips				3,634	3,634	557	91	124	603
Total Net New External Trips				2,310	2,310	58	462	79	383

Table 2: Proposed Zoning Trip Generation

Table 3.4 Proposed Zoning Trip Generation - Vehicle Trips									
Land Use Code	Land Use	Intensity		Daily		AM Peak Hour		PM Peak Hour	
				In	Out	In	Out	In	Out
710	General Office Building	1,440,000	s.f.	6,015	6,015	910	148	205	998
Total External Person Trips				7,098	7,098	1,074	175	242	1,178
Total Net New External Trips				4,512	4,512	683	111	154	749

Site Traffic Distribution

Trips generated by the proposed development were distributed based on a review of surrounding land uses, existing traffic patterns, and engineering judgement.

The following percentages were used in the AM and PM peak hours for traffic:

- 40% to/from the north
- 40% to/from the south
- 10% to/from the west
- 10% to/from the east

Results and Impacts

Table 3: Study Area Levels of Service

Intersection and Approach/Movement	Traffic Control	Existing (2021) Traffic		Background (2024) Traffic		Current Zoning (2024) Traffic		Proposed Zoning (2024) Traffic		Proposed Zoning (2024) Traffic - with Roadway Modifications	
		AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
S McDowell Street at W Hargett Street	Signalized	A (6.8)	B (10.1)	A (7.1)	B (10.5)	A (9.7)	B (13.6)	B (12.5)	B (17.7)	N/A	
Eastbound		C (25.6)	C (29.7)	C (25.8)	C (29.9)	C (29.9)	C (30.5)	D (38.6)	C (31.4)		
Westbound		C (20.6)	C (28.1)	C (20.8)	C (28.3)	C (22.3)	D (35.0)	C (23.1)	D (47.0)		
Northbound		A (4.1)	A (6.9)	A (4.5)	A (7.2)	A (6.4)	A (9.7)	A (7.9)	B (12.7)		
S Salisbury Street at W Hargett Street	Signalized	B (14.5)	B (14.9)	B (14.6)	B (15.1)	B (15.0)	B (15.8)	B (15.9)	B (16.8)	N/A	
Eastbound		B (19.1)	C (21.1)	B (19.4)	C (21.5)	B (18.9)	C (22.6)	B (19.5)	C (24.9)		
Westbound		B (17.0)	C (23.8)	B (17.1)	C (24.0)	B (18.3)	C (24.4)	C (21.1)	C (25.0)		
Southbound		B (11.5)	B (10.7)	B (11.6)	B (10.9)	B (11.8)	B (10.9)	B (12.0)	B (11.0)		
S McDowell Street at W Martin Street	Signalized	B (17.2)	B (15.3)	B (19.0)	B (16.1)	C (27.5)	C (21.8)	D (48.0)	C (33.8)	D (47.7)	B (18.0)
Eastbound		C (26.8)	C (28.8)	C (27.0)	C (29.1)	C (28.9)	C (32.5)	C (32.0)	D (46.3)	C (31.8)	C (29.0)
Westbound		B (15.9)	D (36.2)	B (16.6)	D (38.5)	B (18.1)	E (77.9)	B (19.6)	F (148.6)	B (14.3)	D (36.9)
Northbound		B (16.4)	B (12.0)	B (18.4)	B (12.7)	C (27.8)	B (13.2)	D (51.5)	B (14.0)	D (51.5)	B (14.0)
S Salisbury Street at W Martin Street	Signalized	B (10.8)	B (14.1)	B (11.0)	B (14.2)	B (12.5)	B (15.7)	B (13.5)	B (17.4)	N/A	
Eastbound		A (7.9)	C (25.9)	A (8.1)	C (25.8)	A (9.4)	C (24.0)	B (10.3)	C (24.8)		
Westbound		B (17.9)	C (24.8)	B (18.1)	C (25.0)	B (18.6)	C (25.3)	B (19.2)	C (25.5)		
Southbound		B (10.3)	A (7.1)	B (10.5)	A (7.2)	B (12.4)	B (10.4)	B (13.4)	B (13.2)		
W Hargett Street at Site Driveway 1	Unsignalized	N/A				- (-)	- (-)	- (-)	- (-)	N/A	
Northbound						B (11.6)	B (10.8)	B (14.7)	B (13.9)		
Westbound Left						A (8.2)	A (7.6)	A (9.1)	A (8.0)		
S Salisbury Street at Site Driveway 2	Unsignalized	N/A				- (-)	- (-)	- (-)	- (-)	N/A	
Eastbound						B (10.5)	B (11.5)	B (13.1)	B (14.8)		
W Martin Street at Site Driveway 3	Unsignalized	N/A				- (-)	- (-)	- (-)	- (-)	N/A	
Southbound						B (9.9)	B (11.0)	B (12.1)	B (13.3)		
Eastbound Left						A (7.6)	A (7.8)	A (8.5)	A (8.1)		
S McDowell Street at Site Driveway 4	Unsignalized	N/A				- (-)	- (-)	- (-)	- (-)	N/A	
Westbound						E (37.9)	F (82.6)	F (59.5)	F (459.5)		

The summary above elicits the following comments about notable impacts at select intersections.

S McDowell Street at W Hargett Street – The intersection is projected to operate at LOS A during the AM peak hour and LOS B during the PM peak hour under the current zoning scenario. The intersection is projected to operate at LOS B during the AM and PM peak under the proposed zoning scenario. There are no recommended improvements for this intersection.

S Salisbury Street at W Hargett Street – The intersection is projected to operate at LOS B during both the AM and PM peak hours under the current zoning and the proposed zoning. There are no recommended improvements for this intersection.

S McDowell Street at W Martin Street – The intersection is projected to operate at LOS C during both the AM and PM peak hours under the current zoning. Under the proposed zoning, the intersection is projected to operate at LOS C during the AM peak hour and LOS D during the PM peak hour. The westbound approach under the proposed zoning is projected to operate at LOS F during the PM peak hour. As an improvement, it is recommended to restripe the existing westbound approach to provide an exclusive westbound right-turn lane. With this improvement, the intersection is projected to operate at LOS B during the PM peak hour, and the westbound approach is projected to operate at LOS D.

S Salisbury Street at W Martin Street – The intersection is projected to operate at LOS B during both the AM and PM peak hours under the current zoning and the proposed zoning. There are no recommended improvements for this intersection.

W Hargett Street at Site Driveway 1 – The intersection is projected to operate at LOS B for the northbound approach and LOS A for the westbound left approach with short delays under both the current and proposed zoning scenarios. There are no recommended improvements for this intersection.

S Salisbury Street at Site Driveway 2 – The intersection is projected to operate at LOS B for the eastbound approach with short delays under both the current and proposed zoning scenarios. There are no recommended improvements for this intersection.

W Martin Street at Site Driveway 3 – The intersection is projected to operate at LOS B for the southbound approach and LOS A for the eastbound left approach with short delays under both the current and proposed zoning scenarios. There are no recommended improvements for this intersection.

S McDowell Street at Site Driveway 4 – The westbound approach is projected to operate at LOS E during both AM and PM peak hours under the current zoning. Under the proposed zoning, the westbound approach is projected to operate at LOS F during both AM and PM peak hours. Long delays are typical at minor accesses to major streets during peak hours. There are no recommended improvements for this intersection.

Study Recommendations

The analysis performed by KHA indicates that buildout under the proposed rezoning will have impacts to the surrounding roadway network beyond those of the buildout under the existing zoning. Those impacts can be mitigated with the improvements listed below.

S McDowell Street at W Martin Street

- Restripe the existing westbound approach to provide an exclusive westbound right-turn lane with at least 50 feet of storage

Conclusions

City Staff agrees with the overall rezoning analysis performed in the TIA for N&O Rezoning. Staff recommends coordination with the bicycle and pedestrian coordinator to determine if the proposed mitigation will affect any bike plans for Martin Street.

AC/mg



Rezoning Application and Checklist

Planning and Development Customer Service Center • One Exchange Plaza, Suite 400 | Raleigh, NC 27601 | 919-996-2500

Please complete all sections of the form and upload via the Permit and Development Portal (permitportal.raleighnc.gov). Please see page 8 for information about who may submit a rezoning application. A rezoning application will not be considered complete until all required submittal components listed on the Rezoning Checklist have been received and approved. For questions email rezoning@raleighnc.gov.

Rezoning Request				
Rezoning Type	<input checked="" type="checkbox"/> General Use	<input type="checkbox"/> Conditional Use	<input type="checkbox"/> Master Plan	Office Use Only Rezoning case #
	<input type="checkbox"/> Text change to zoning conditions			
Existing zoning base district: DX		Height: 20	Frontage: SH	Overlay(s):
Proposed zoning base district: DX		Height: 40	Frontage: SH	Overlay(s):
Helpful Tip: View the Zoning Map to search for the address to be rezoned, then turn on the 'Zoning' and 'Overlay' layers.				
If the property has been previously rezoned, provide the rezoning case number:				

General Information			
Date:	Date amended (1):	Date amended (2):	
Property address: 215 S MCDOWELL ST; 123 W Hargett St			
Property PIN: 1703684170; 1703684300			
Deed reference (book/page): 16983/1584; 16983/1584			
Nearest intersection: S McDowell and W Martin; W Hargett and S McDowell		Property size (acres): 3.06; .24	
For planned development applications only	Total units:		Total square footage:
	Total parcels:		Total buildings:
Property owner name and address: PHOENIX III OF RALEIGH, LLC, 3773 Howard Hughes Pkwy South Tower ste. 500, Las Vegas NV 89169			
Property owner email: ss@agusa.net			
Property owner phone: 714.540.9876			
Applicant name and address: PHOENIX III OF RALEIGH, LLC, 3773 Howard Hughes Pkwy South Tower ste. 500, Las Vegas NV 89169			
Applicant email: ss@agusa.net			
Applicant phone: 714.540.9876			
Applicant signed by:			
Applicant signature(s): <i>Craig Shimomura</i>			
Additional email(s):			

Phoenix III of Raleigh, LLC
By: Acquisition Group LLC, its Manager
By: Craig Shimomura, its Vice President

RECEIVED

By JP Mansolf at 2:18 pm, Jun 29, 2021

Conditional Use District Zoning Conditions		
Zoning case #:	Date submitted:	Office Use Only Rezoning case # _____
Existing zoning: DX-20-SH	Proposed zoning: DX-20-SH	

Narrative of Zoning Conditions Offered
N/A

The property owner(s) hereby offers, consents to, and agrees to abide, if the rezoning request is approved, the conditions written above. All property owners must sign each condition page. This page may be photocopied if additional space is needed.

Property Owner(s) Signature: _____

Printed Name(s): _____

Rezoning Application Addendum #1**Comprehensive Plan Analysis****Office Use Only**

Rezoning case # _____

The applicant is asked to analyze the impact of the rezoning request and its consistency with the Comprehensive Plan. The applicant is also asked to explain how the rezoning request is reasonable and in the public interest.

Statement of Consistency

Provide brief statements regarding whether the rezoning request is consistent with the future land use designation, the urban form map, and any applicable policies contained within the 2030 Comprehensive Plan.

1. The proposed rezoning is consistent with the Future Land Use Map designation for the properties of Central Business District (CBD). The CBD category is intended to enhance Downtown Raleigh as a vibrant mixed use urban center. CBD recognizes Downtown as the “heart of the city” with high-intensity office, retail, housing, institutional, cultural and visitor-serving uses. DX is the primary district for the CBD.
2. The properties are within the Urban Form Map, which supports the proposed urban frontage. Consequently, the rezoning will enhance the streets in this area, providing amenities for pedestrians and visitors. The proposed rezoning meets a number of Urban Design policies, including Policy UD 2.1 (Building Orientation), Policy UD 2.3 (Activating the Street) and Policy UD 3.4 (Enhanced Streetwalls). In particular, Hargett Street and Martin Street are priority pedestrian and green streets per Map DT-4.
3. The proposed height of 40 stories is consistent with policies contained in Table LU-2 as a core/transit area within the Central Business District. The site is in the core of the Urban Form Map UD-1 and consequently, the proposed height is appropriate.
4. The proposed rezoning would facilitate the redevelopment of underutilized sites in downtown (Policy DT 1.3). Importantly, it meets several economic development policies, including Policy ED 2.4 (Attracting Invest Emerging Neighborhoods) and Policy ED 3.14 (Corporate Headquarters) given the location of the site.

Public Benefits

Provide brief statements explaining how the rezoning request is reasonable and in the public interest.

The rezoning is reasonable and in the public interest because it provides greater zoning flexibility for a site that is ripe for development given its current underutilization and location.

The rezoning is reasonable and in the public interest given the strategic importance of this site adjacent to Nash Square as one of two remaining public squares in the Christmas Plan. The proximate urban open space encourages more intensity and interplay with an adjacent site. Further, the City’s civic campus is on an adjacent block. The rezoning will facilitate a large mixed use development to complement the public use of the City’s property and use of the park.

Rezoning Application Addendum #2	
Impact on Historic Resources	Office Use Only Rezoning case # _____
The applicant is asked to analyze the impact of the rezoning request on historic resources. For the purposes of this section, a historic resource is defined as any site, structure, sign, or other feature of the property to be rezoned that is listed in the National Register of Historic Places or designated by the City of Raleigh as a landmark or contributing to a Historic Overlay District.	
Inventory of Historic Resources	
List in the space below all historic resources located on the property to be rezoned. For each resource, indicate how the proposed zoning would impact the resource.	
N/A	
Public Mitigation	
Provide brief statements describing actions that will be taken to mitigate all negative impacts listed above.	
N/A	

Design Guidelines

The Applicant must respond to the **Urban Design Guidelines** contained in the 2030 Comprehensive Plan if:

- a) The property to be rezoned is within a "City Growth Center", "Mixed-Use Center", or "Transit Station Areas", OR;
- b) The property to be rezoned is located along a "Main Street" or "Transit Emphasis Corridor" as shown on the Urban Form Map in the 2030 Comprehensive Plan.

Policy UD 7.3:

The Design Guidelines in Table UD-1 shall be used to review rezoning petitions and development applications for mixed-use developments; or rezoning petitions and development applications along Main Street and Transit Emphasis Corridors or in City Growth, TOD and Mixed-Use Centers, including preliminary site plans and development plans, petitions for the application of Downtown Overlay Districts, Planned Development Districts, and Conditional Use zoning petitions.

The Applicant must respond to the **Downtown Urban Design Guidelines** contained in the 2030 Comprehensive Plan if:

- a) The property to be rezoned is within "Downtown" as shown on the Urban Form Map in the 2030 Comprehensive Plan.

Policy DT 7.18:

The design guidelines in Table DT-1 shall be used to review rezoning, alternative means of compliance, special use permits, and planned development master plan applications in downtown.

Please [click here](#) to download the Design Guidelines Addendum if required.

Urban Form Designation: Downtown

Click [here](#) to view the Urban Form map.

Please continue to the next page for the Rezoning Checklist Submittal Requirement.

Date: May 25, 2021

Re: Property Located at 215 S McDowell St and 123 W Hargett St

Neighboring Property Owners:

You are invited to attend a neighborhood meeting on Tuesday, June 8th, 2021 from 5pm to 7pm. The meeting will be held virtually. You can participate online or by telephone. Please note that the presentation is planned to begin at 5pm and will be followed by an opportunity for questions and answers. Depending on attendance, the programmed portion of the meeting is likely to end between 5:30 and 6pm. The additional time is intended to allow for a late start in the event of any technical issues related to the virtual meeting, and your flexibility is appreciated. Once the meeting has been successfully completed, the online meeting, including the telephone dial-in option, will remain open until 7pm, and we will be happy to review the proposal or answer additional questions during this time.

The purpose of this meeting is to discuss a potential rezoning of properties located at 215 S McDowell St and 123 W Hargett St. The current zoning designation is DX-20-SH and proposed zoning designation is DX-40-SH. The purpose of the zoning request is to allow for more flexibility in building height. Our goal is to gather comments through your participation in this virtual neighborhood meeting or, alternatively, through your written comments to the City of Raleigh Planning Department. After the meeting, we will prepare a report for the Raleigh Planning Department regarding the items discussed.

Prior to the submittal of any rezoning application, the City of Raleigh requires that a neighborhood meeting be held for all property owners and tenants within 500 feet of the area requested for rezoning.

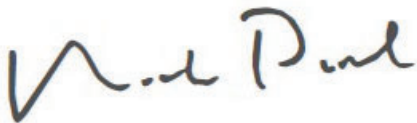
Information about the rezoning process is available online; visit www.raleighnc.gov and search for "Rezoning Process." If you have further questions about the rezoning process, please contact:

JP Mansolf
Raleigh Planning & Development
(919)996-2180
JP.Mansolf@raleighnc.gov

If you have any concerns or questions about this potential rezoning I can be reached at:

Mack Paul
Morningstar Law Group
919-590-0377
mpaul@mstarlaw.com

Sincerely,

A handwritten signature in dark ink, appearing to read "Mack Paul", is written over a light blue horizontal line.

Neighborhood Meeting Agenda

- I. Introductions
- II. The rezoning process
- III. The project
- IV. Question and answer period

SUMMARY OF ISSUES

A neighborhood meeting was held on June 8, 2021 (date) to discuss a potential rezoning located at 215 S McDowell Street and 123 W Hargett St (property address). The neighborhood Meeting was held at Virtual (location). There were approximately 15 (number) neighbors in attendance. The general issues discussed were:

Summary of Issues:

See next page

Summary of McDowell St Neighborhood Meeting

Discussed process of rezoning

Showed maps of site. Explained owner has been in Raleigh area for 20 years.

Discussed property history and current uses.

Discussed current zoning, zoning in Raleigh, and proposed rezoning to change from 20 to 40 stories.

Briefly discussed Nexus project and how this relates to Raleigh and the project. Cost of construction up. Interest in area has gone up.

Discussed how this rezoning is consistent with City's vision of downtown area and future land use.

Discussed vision for Central Business District.

Discussed Urban Form and how our property relates to area it is located.

Showed illustrative pictures of style the owner is looking at from different viewpoints.

Explained rezonings. There is no specific proposal at this time. This process examines heights, uses, frontage, depending upon City comments and public comments.

Questions sent in:

Traffic from the single 20-story US Bank Tower has already caused increased congestion on S. Wilmington. Why do we need more than 20 stories for an ENTIRE CITY BLOCK?

City will be doing an analysis from zoning standpoint of the height. The city uses a program to determine if a traffic impact analysis needed. Site plans in Downtown are exempt from traffic improvements. Historically, the city has not required traffic studies for any rezoning located downtown. But that has changed. This is where City wants to see the most development occur. City removed parking requirements downtown. There is a desire to have less driving and more walking and public transport. This development is in line with this.

A rezoning to 40 stories does not mean all buildings within the block will be 40 stories. It just allows for 40 stories.

1) Wells Fargo tower has lost occupants this year and has open floors available.

2) Other than Pendo, the soon to be constructed Pendo tower cannot find enough occupants to fill their 20-story tower.

Similar to other question, the market for multifamily is currently stronger than the office market. The office market is resetting post-pandemic. A lot of the downtown offices are not fully reopened. The 301 Hillsborough Street project (Pendo) has residential as well as proposed hotel in that block, in addition to office. The rezoning allows for a variety of uses – not just office.

Will there be considerations for retail other than restaurants/bars? For example, a gym complex or a bowling alley?

Yes. There will be a significant amount of retail, predominately on the ground level based on the urban frontage requirements and the site area being 3.3 acres. A developer cannot force a specific tenant to come, but you build the space and try to attract high quality businesses to come in.

Retail is very much needed. Will add a lot to the area.

Retail has taken a hit with the pandemic and the protests of last summer and Downtown is just starting to reopen. If you go out now Downtown on the weekends, the vibrancy is coming back. This has been an ongoing process beginning in the early 2000s with the reopening of Fayetteville St and the construction of public parking garages. This has been ongoing. This is a long time coming on this particular site given what is there now and what could be there considering how large this site is.

Open mic for questions

Q – Concern about sun being blocked with this new building. May make my resell price lower. No objection to 20 stories, but am opposed to 40 stories.

The City's UDO requires certain steps in building height. 40 stories is the next step above 20 stories. It sets a ceiling but does not require buildings be built to 40 stories.

Q – I checked the zoning before buying. Had that issue in L.A. and got blocked out there and don't want it to do that.

There are other properties in the surrounding area zoned to 40 stories including on Fayetteville Street. Moreover, the City has a Comprehensive Plan and Future Land Use Map that recommends heights in the city, including Downtown. Those plans support 40 story heights on a number of properties Downtown. Of course, there is a process, a public process to rezone, there are other rezonings nearby to 40 stories, but doesn't mean all these sites will be able to go to 40 stories. Keep in mind the distance between sites. The Nexus site isn't next door to you, there will be a lot of open area in your site area.

Q – Most of staff in building near there parks in that parking garage. What is the time frame and when do we need to start looking at securing new parking.

What's your lease term. Temporary until development happens. Have you discussed this with owner in past? No. The zoning will take 6-8 months, plus site plan, it can be a couple of years before construction. Does not mean they won't start development. Will get your contact information and get back to you because I don't have that information. I understand the City will be taking down the municipal parking deck nearby. Parking is needed in the area.

Q - Can you speak to why DX-40 is the limit for height? This is a prime block obviously and I think it's important the developer have an opportunity to take full advantage.

The way heights are set in the UDO (3, 4, 5, 7, 12, 20 and 40 stories) 40 stories is the limit. So far, no one has requested more.

Be aware the UDO also limits building massing for buildings over 12 stories. Floor plate limits, plus building separation requirements. Buildings won't occupy all of the space up to 40 stories.

Q – I lived in the West Condos several years ago and ended up with a parking lot in our view. That said, I am very excited with this development. I think most people are more excited about what they will get

as a result of these developments as opposed to what might be blocking part of their view. I hope that's the case. Good luck with your development.

Thanks. I know it's a shift in thinking. Most Southern cities don't have a history with dense downtowns. In most cities you can't look out your window and see greenscapes.

Q – As a downtown Raleigh resident who has lived in other cities in the Northeast and the South, those other cities had great public transport, railway systems that went underground, light rail that went up north to the tech hub. My gripe about Raleigh having lived here 5 or 6 years, is that you have to drive everywhere. That's one of the worries about living downtown is that there are only a couple of hubs into and out of downtown. I would be very interested in a traffic study being done to see how that is going to affect us.

Those comments about transit are fair. The quest for public transit in Raleigh has been a slow and twisted path over that last 20 years. Now we have a Wake County transit plan that is just getting started. It is a new concept for us. We need more development Downtown to support the public transit. I hear you on that. We will be discussing it with the City.

Thank you to everyone who made comments in the chat.

Chat:

17:10:24 From Dylan Bouterse to Everyone:

It actually seems silly that this block even needs to be rezoned for DX-40. Make it happen already, City Council.

17:23:13 From Francisco Sandoval to All panelists:

Old plans too small for the premium location. 40 story apartment tower here is very appropriate. City lacks a signature building in downtown.

17:26:50 From Dylan Bouterse to Everyone:

Mixed use developments also have been proven to actually reduce trips. Traffic in downtown from 2007-2017 increased less than 1% (actual study done) while development skyrocketed in that same timeframe. Mixed use is fantastic for DTR.

17:30:02 From Brian Carey to All panelists:

It works in a city with public transport. Subways, light rail. Raleigh would need to beef up public transport which is not very good. Need to drive everywhere in Raleigh.

17:30:15 From Nadim Gebrael to All panelists:

Retail is very much needed I think it will add a lot to the area as more buildings come up

17:38:14 From Wilton Barnhardt to Everyone:

Thanks for your answers, Mack.

17:43:50 From Ernest Pecounis to All panelists:

I would encourage you to build the maximum the market can handle, remove that alley in the middle - as shown in the earlier plans -and insist on great architecture, especially at the street level. This is a perfect location for a signature tower and 20 floors may not do that. Thank you.

17:44:17 From Francisco Sandoval to All panelists:

I second Dylan's opinion! Davie Street resident here.

17:48:04 From Dylan Bouterse to Everyone:

More mixed developments mean less trips and less traffic. That's not opinion but fact based on studies post development of mixed use. Raleigh does need more and better transit, but asking for less development downtown means it goes to the suburbs where EVERYONE has to drive EVERYWHERE. Just saying, we live downtown and walk a lot of places. Nexus will give us more things to walk to and less reasons to drive.

17:48:40 From Dylan Bouterse to All panelists:

Thanks for the call and Q/A, Nexus team!

17:49:03 From Dylan Bouterse to All panelists:

Also excited about Vault Craft Beer. :)

17:49:07 From Brian Carey to All panelists:

Unless the Nexus can transport me to a grocery store or daily drive to work, then I don't agree with you. Sorry

17:55:53 From Nikolaus Soral to All panelists:

Absolutely in support of the rezoning and more dense development. Concerns about shadows in the downtown core are a bit ridiculous. Also the argument with transit and traffic is a moot point. Where if not in the Downtown core can we justify more density? Certainly with fast growing areas there will be some growing pains. Transit and density is also a chicken and egg problem. You can't justify transit until you have density, and you need transit in order to be allowed to build density. Raleigh needs a big vision and big buildings.

18:17:27 From Ernest Pecounis to Everyone:

I second Mr Bouterse's observation. Downtown Raleigh is where we have the opportunity to make a strong statement. Density, great architecture, a wonderful street-level experience and a historic preservation need to go hand in hand.

18:22:25 From Ira Mabel to All panelists:

Mack, I'm going to sign off

raleighnc.gov

Downtown Urban Design Guidelines

The Applicant must respond to the Downtown Urban Design Guidelines contained in the 2030 Comprehensive Plan if:

- a) The property to be rezoned is within "Downtown" as shown on the Urban Form Map in the 2030 Comprehensive Plan.

Policy DT 7.18:

The design guidelines in Table DT-1 shall be used to review rezoning, alternative means of compliance, special use permits, and planned development master plan applications in downtown.

Click [here](#) to view the Urban Form map

1	Fayetteville Street should be free of service elements, including loading docks, mechanical equipment, and driveways.
	Response: N/A
2	Loading or service entrances should be embedded within the block where possible. If embedding the loading dock is not possible, the loading dock should be located to the side or rear of a building. The width should be minimized and doors or gates should shield the loading docks from view. Roll-down gates should be decorative if facing the public realm.
	Response: Based on the proposed Shopfront frontage, loading or service entrances will be minimized.
3	Surface and structured parking should be landscaped, emphasizing interior tree canopies in surface lots, formal borders, and street trees to reinforce the streetwall.
	Response: Based on the proposed Shopfront Footage, there shall be no surface parking between any building and the street.
4	Mechanical equipment, satellite or microwave dishes, elevator penthouses, and other utilitarian equipment should be screened from view by a structure that complements the design of the building through the use of similar materials, colors, finishes, and architectural details. Views from buildings above should also be considered when designing rooftop mechanical equipment.
	Response: The owner's intent is to design the project so rooftop utilities do not detract from the views of the development.
5	The widths of all curb cuts at parking deck entrances should be minimized. Design techniques should be used (such as lane splits within the deck to encourage consolidated single exit or entrance lanes at the street side, and/or columns between lanes to reduce the perceived size of the openings), while maintaining adequate ingress and egress capacity to provide efficient operations and meet air quality conformity.
	Response: Based on the Shopfront Footage, curb cuts shall be minimized.
6	Building entries should be emphasized with architectural features, changes in roofline, different massing, or unique materials.
	Response: Based on the Shopfront Footage, buildings shall have street facing entrances. The owner intends to emphasize these elements.

7	The primary pedestrian building entrances should be located along the store front. For buildings that front on three streets, the primary pedestrian entrances should be located on the axial street or the corner if the building is located at an intersection.
	Response: Based on the Shopfront Footage, the buildings shall have street facing entrances.
8	Building entries should be at grade.
	Response: Based on the Shopfront Footage, building entries shall be at grade.
9	The level of architectural detail should be most intense at street level, within view of pedestrians on the sidewalk.
	Response: The owner intends to emphasize the street level architectural details.
10	The use of solid roll-down security gates is discouraged.
	Response: There are no plans for solid roll-down security gates.
11	Façades should be broken into distinct 20-30 foot modules or bays from side to side to prevent a monolithic edge to the street.
	Response: Based on UDO building type requirements, facades shall be broken up and blank walls avoided.
12	Large unarticulated walls are discouraged and should have a window or functional public access at least every 10 feet.
	Response: Based on the UDO's, the building type requirements and UDO standards for tall buildings, the buildings shall have sufficient transparency and articulation.
13	The articulation of the façade should be designed to appear more vertical than horizontal.
	Response: Through the UDO standards for tall buildings, the buildings shall address vertical design.
14	Entries that provide access to a building's upper floors should be located along a street to promote street life. They should be designed as separate entries and distinguished from ground level spaces with different architectural details, materials, colors, lighting, signage, and/or paving so that it is clear which entries are public and which are private.
	Response: Based on the Shopfront Footage, buildings shall provide pedestrian accessible street facing entrances.
15	Recessed entries are encouraged. They should be no wider than one-third of the width of the storefront or 20 feet, whichever is less. Recessed entries should be a minimum of 4 feet deep, except where necessary to meet fire code.
	Response: It is anticipated that entrances for tall commercial buildings will be recessed.

16	A minimum of 2/3 of the first story façade should be windows. Of the total amount of glass on the first-floor façade, a minimum of 85 percent must be transparent. Tinted or reflective glass is discouraged. First-story windows should be located a maximum of three (3) feet above the adjacent sidewalk.
	Response: Based on UDO building type requirements, buildings shall have substantial transparency.
17	Windows should be used to display products and services and maximize visibility into storefronts. Windows should not be obscured with elements that prevent pedestrians from seeing inside.
	Response: Based on the UDO building type standards and proposed Shopfront Footage, windows will be used to display products and services.
18	The first-story, floor-to-floor height of any new building on Fayetteville Street should be a minimum of twenty (20) feet.
	Response: Based on UDO building type standards, first story, floor-to-floor height will be substantial.
19	If ceilings must be lowered below the height of ground level windows, provide an interior, full-height, three (3) foot minimum deep space immediately adjacent to the window before the drop in the ceiling.
	Response: The owner has no intent to have ceilings below ground level height.
20	The use of deep awnings and canopies on the first story is recommended to help mitigate wind, reduce glare, and shade ground level spaces.
	Response: The owner intends to use deep awnings and canopies on the first story.
21	Arcades, colonnades, and galleries are discouraged within the public right-of-way.
	Response: The owner has no intent to have arcades, colonnades, or galleries within the public right-of-way.
22	Stairs and stoops in the public right-of-way are discouraged along Fayetteville Street in order to make entries more accessible.
	Response: The owner does not intend to have stairs and stoops in the public right-of-way.
23	An outdoor ground plane that abuts or is adjacent to the public right-of-way should be paved with terrazzo, concrete pavers, concrete, stone, brick, tile, or another high-quality hardscape material. Asphalt and loose paving materials such as gravel are discouraged. The paving design and materials should complement the building or storefront architecture.
	Response: The owner intends to have outdoor ground plane of high-quality material that does not include asphalt or loose materials.

24	In larger courtyard style spaces visible from the public right-of-way, use groundcovers, shrubs, and flowers to accent and fill blank areas with interest. Minimize the use of bare mulch and rocks. Areas of bare earth are discouraged.
	Response: The owner intends to have courtyard spaces with groundcovers, shrubs, etc and avoid bare earth, bare mulch and rocks.
25	Walls of buildings should parallel the orientation of the street grid.
	Response: The owner intends for the walls of buildings to be parallel to the orientation of the street grid.
26	Towers or high-rise buildings should have three zones: a streetwall or base zone, a tower transition zone, and a tower top zone. Cornices should be considered to separate base zone from tower transition zone.
	Response: The owner intends to have variable vertical articulation.
27	Distance between towers on different blocks should be a minimum of 100 feet to ensure access to light and air.
	Response: Based on UDO standards for tall buildings, there shall be adequate spacing for light and air.
28	Public art, performance facilities, and/or civic monuments should be an integral part of any building plan.
	Response: The owner will consider public art, performance facilities, and/or civic monuments in the buildings.
29	Fences, railings, and walls are discouraged except to screen surface parking lots and unimproved lots, to protect pedestrians from grade changes, and to delineate a private courtyard. Fences are preferred over walls except where designed to hold grade.
	Response: The owner does not intend to have fences, railings, or walls.
30	Fences should be a minimum of 36 inches and a maximum of 42 inches tall and a minimum of 70 percent open. Railings should be 42 inches tall. Solid walls should be a minimum of 18 inches and a maximum of 32 inches tall.
	Response: The owner does not intend to have any fences or solid walls.
31	Fences, railings, and walls should be designed to complement the adjacent architecture through the use of similar materials, colors, finishes, and architectural details.
	Response: The owner intends to design any fences, railings, and walls to complement the adjacent architecture.

32	Designs should be contextual to adjacent buildings, including their cornice lines and horizontal banding.
	Response: The owner intends for the design to be contextual to adjacent buildings.
33	Innovative design and unusual lighting of the exterior of the building is important to emphasize the monumentality of government buildings.
	Response: The owner intends to have innovative design.
34	The principal building entrance should be easily identified by building features and landscape elements; additional public entrances should be provided at every street face.
	Response: Based on the proposed Shopfront frontage, the building entrances shall be easily identified.
35	Building materials should be of stone, brick, or similar durable, high quality materials. Building form, articulation, and materials should respect and be sympathetic to the major governmental and institutional buildings in the area.
	Response: The owner intends to use high quality materials that will respect major buildings in the area.
36	Preferred materials (other than glass) include metal, brick, stone, concrete, plaster, and wood trim; discouraged materials include vinyl siding, pressed wood siding, and exterior insulated finishing systems (EIFS).
	Response: The owner intends to use a mixture of one or more of the following: metal, brick, stone, concrete, plaster, and wood trim.
37	Materials covering original architectural features of historic or architecturally significant buildings are discouraged.
	Response: The owner does not intend to cover architectural features of historic or architecturally significant buildings.
38	A minimum of 35 percent of each upper story should be windows.
	Response: Based on UDO building types, upper stories shall have substantial transparency.
39	Building corners that face an intersection should strive for a distinctive form and high level of articulation.
	Response: The owner intends for corners that face an intersection to be distinctive and have high level articulation.
40	Buildings may step back further at intersections in order to articulate the corners.
	Response: The owner intends for buildings to acknowledge the intersections at the corners.

41	Buildings downtown and in Pedestrian Business Overlays should have stepbacks and articulated facades to mitigate wind effects and increase light and air. Buildings should step back 10 to 15 feet at the 60-foot point above the ground on a wide street and 15 feet on a narrow street. A wide street is 75 feet in width or more.
	Response: Based on UDO standards for tall buildings, stepbacks will be wide enough to mitigate wind and increase light and air.
42	Flat roof buildings should have decorative parapets with elements, such as detailed cornices, corbeling, applied medallions, or other similar architectural treatments.
	Response: The owners intend for flat roof buildings to have decorative architectural treatments.
43	Signage should be compatible in scale, style, and composition with the building or storefront design as a whole.
	Response: Based on signage requirement in the UDO, the signage shall be compatible with the building or storefront design as a whole.
44	Diverse graphic solutions are encouraged to help create the sense of uniqueness and discovery found in an urban, mixed-use environment.
	Response: The owner intends to have diverse graphics, creating a sense of uniqueness and discovery.
45	All mechanical and electrical mechanisms should be concealed.
	Response: The owner intends for all mechanical and electrical mechanisms to be concealed.
46	Signs should not obscure a building's important architectural features, particularly in the case of historic buildings.
	Response: The owner intends for signs to not obscure the buildings architectural features.
47	Signs should be constructed with durable materials and quality manufacturing.
	Response: The owner intends for signs to be constructed of durable materials and quality manufacturing.
48	Sign bands above transom and on awnings are preferred signage locations.
	Response: The owner intends to utilize a signage plan in keeping with the high quality of the building design.
49	Only the business name, street address, building name, and logo should be on an awning or canopy. The lettering should not exceed 40 percent of the awning area.
	Response: The owner intends to utilize a signage plan in keeping with the high quality of the building design.

50	Illuminated signs should avoid the colors red, yellow, and green when adjacent to a signal controlled vehicular intersection.
	Response: The owner intends for signs to utilize a signage plan in keeping with the high quality of the building design.
51	Allowed sign types: channel letter signs, silhouette signs (reverse channel), individualized letter signs, projecting signs, canopy/marquee signs, logo signs, awning signs, and interior window signs.
	Response: Based on the UDO signage requirements, the buildings will only have allowed sign types.
52	Discouraged sign types: signs constructed of paper, cardboard, styrofoam-type materials, formed plastic, injected molded plastic, or other such materials that do not provide a sense of permanence or quality; signs attached with suction cups or tape; signs constructed of luminous vacuum-formed plastic letters; signs with smoke-emitting components. Changeable copy signs are prohibited.
	Response: The owner intends to utilize a signage plan in keeping with the high quality of the building design.

REZONING OF PROPERTY CONSISTING OF +/- 3.3 ACRES
LOCATED AT 215 S MCDOWELLS ST AND 123 W HARGETT ST IN THE CITY OF
RALEIGH

REPORT OF MEETING WITH ADJACENT PROPERTY OWNERS AND TENANTS ON
DECEMBER 8, 2021

Pursuant to applicable provisions of the Unified Development Ordinance, a meeting was held with respect to a potential rezoning with adjacent property owners on Wednesday, December 8, at 5:00 p.m. The property considered for this potential rezoning totals approximately 3.3 acres and is located at 215 S McDowell St and 123 W Hargett St, in the City of Raleigh, having Wake County Parcel Identification Numbers 1703684170 and 1703684300. This meeting was held Virtually. All owners of property within 1000 feet of the subject property were invited to attend the meeting. Attached hereto as **Exhibit A** is a copy of the neighborhood meeting notice. A copy of the required mailing list for the meeting invitations is attached hereto as **Exhibit B**. Attached hereto as **Exhibit C** is a summary of the items discussed at the meeting and attached hereto as **Exhibit D** is a list of individuals who attended the meeting.

EXHIBIT C – ITEMS DISCUSSED

1. Applicant described development plan
2. Applicant described purpose of rezoning
3. Applicant answered question about status of planning for Nash Square Park
4. Applicant answered question about development timeline

EXHIBIT D – MEETING ATTENDEES

1. Greg Hickey
2. Dan Burke
3. Francisco Sandoval
4. Kenneth Shugart
5. Jason Hardin