

\$12.00



**STATE OF DOWNTOWN  
RALEIGH 14**

**AN URBAN CONVERGENCE OF YOUTH + TECHNOLOGY**

2014 | DOWNTOWN RALEIGH ALLIANCE

# LETTER FROM DRA PRESIDENT + CEO

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## THE STATE OF DOWNTOWN 2014: AN URBAN CONVERGENCE OF YOUTH + TECHNOLOGY

The Downtown Raleigh Alliance (DRA) created this report specifically for investors, developers, brokers, and economic developers whose clients are interested in exploring the possibility of a Central Business District (CBD) location. The report details insightful market trends presented in an easy-to-read format with informative graphics. In addition, it is a great resource for downtown owners of commercial and residential properties.

Downtown Raleigh is a tech destination as demonstrated by Raleigh-based tech companies Red Hat, Citrix, and Ipreo relocating their headquarters to the CBD to participate in this exponentially growing area. In 2014 and beyond, downtown will experience more growth following these current trends:

- 85 start-ups at HQ Raleigh and American Underground
- 2,000 new downtown employees, many in the technology sector
- 776,740 square feet of new office space on the horizon
- 28 is the average age of a tech employee with an average salary of \$75,000

A surge in companies and employees is causing an increased demand for urban living. With 2,257 apartments planned or under construction in 2014, downtown will gain the residential infrastructure to support the growing workforce. New living and working spaces combined with the numerous retailers, restaurants, and other great amenities such as live performance venues, are shaping downtown into a vibrant, innovative, and creative place ready for growth.

Copies of this report are available for \$12 each by calling 919-832-1231. The report is also available electronically at [www.YouRHere.com](http://www.YouRHere.com). We hope you find this report useful. Please contact me if you have any questions about the report, DRA, or the CBD at [daviddiaz@downtownraleigh.org](mailto:daviddiaz@downtownraleigh.org).



**DAVID A. DIAZ** | DOWNTOWN RALEIGH ALLIANCE, PRESIDENT + CEO



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# AT A GLANCE

DOWNTOWN RALEIGH RESIDENTS ARE YOUNG, SMART, AND INNOVATIVE, AND THEY WANT AN URBAN LIFESTYLE. FORTY-SIX PERCENT HOLD A BACHELOR'S DEGREE OR HIGHER.

## COMMUNITY DEMOGRAPHICS

Raleigh is home to more than 400,000 residents and is growing exponentially. Wake County's population will soon top one million—nearly twice the number of people as in 2000. Downtown is a key component in the population explosion.

More than half of center city residents relocated to their downtown homes in 2010. One in every four of those

transplants moved from a different state or country.

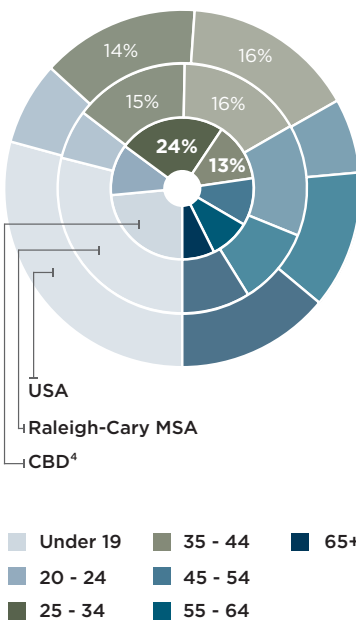
Although the current median household income for residents in downtown is slightly lower than that of the City of Raleigh, it will soon be on par with the rest of the city. Hundreds of new high-end rental units, combined with the growing number of young professionals moving to the area, indicate the upward increase.<sup>1</sup>

The median age of an **urban** Raleigh resident is 30.1, over seven years **younger** than the U.S. average.<sup>2</sup>

### DENSITY | PEOPLE PER SQUARE MILE

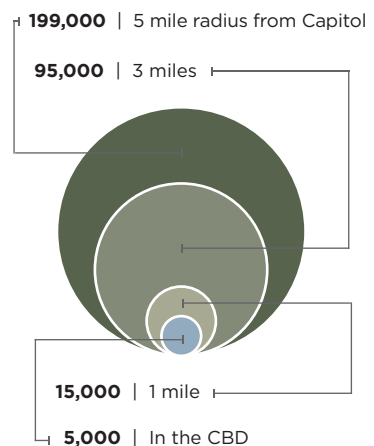


### AGE | 1 OUT OF 4 DOWNTOWN RESIDENTS IS BETWEEN 25-34



### POPULATION | EXPONENTIAL GROWTH AT CENTER

The population within a one mile radius of the CBD will grow at a rate of 2.7 percent between 2012 and 2017—nearly four times the national rate.<sup>5</sup>



[ SOURCE: Micah Kordsmeier for DRA, U.S. Census 2010 ]

[ SOURCE: American Community Survey, 2007-11 ]

[ SOURCE: STDBonline Esri forecasts, 2012 ]

<sup>1</sup>American Community Survey, 2006-2010, Census Tract 501. <sup>2</sup>STDBonline, U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2012. <sup>3</sup>Census Block Groups with Centroid within One Mile of the Capitol. <sup>4</sup>Census Tracts 501, 503, 504, 509, 510. <sup>5</sup>STDBonline, U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2012 and 2017.



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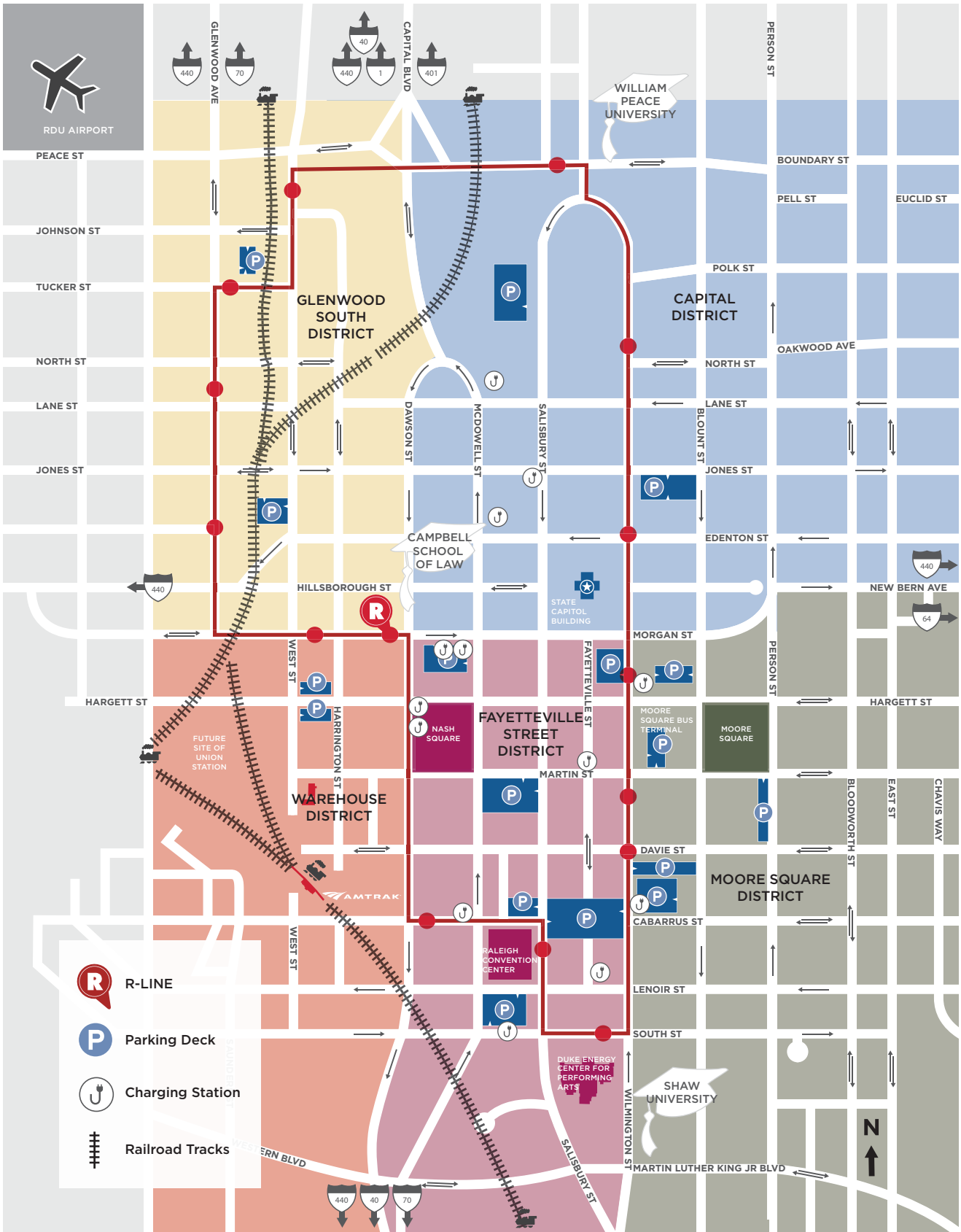
The downtown residential community is exploding. The Glenwood South District alone boasts **five new planned residential projects**.

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## HIGHLIGHTS

- **#1** among **fastest-growing cities** in the U.S. - (Raleigh) - Forbes, March 2013
- **\$2.3 billion** completed, under construction, and planned projects in the CBD in just 10 years
- Approximately **\$343 million of completed development** projects in 2013
- HQ Raleigh and American Underground house a combined **85 start-up companies**
- Forty-four **new street-level businesses** opened in 2013 with a net gain of 37—a 23 percent increase from 2012
- The residential market will soon see a large increase with **2,257 units** planned or under construction
- Downtown hosted **243 outdoor festivals** in 2013—128 percent more than 2012
- The multimodal **Union Station** project will make Raleigh the **gateway to the South**

ON THE MAP | RALEIGH'S FIVE DISTRICTS ARE INTERCONNECTED WITH ONE ANOTHER





**WAREHOUSE**

© www.gottschallphoto.com



**FAYETTEVILLE STREET**

© www.gottschallphoto.com



**CAPITAL**

© www.gottschallphoto.com



**GLENWOOD SOUTH**

© www.gottschallphoto.com



**MOORE SQUARE**

© Carolyn Scott





## DOWNTOWN DISTRICTS

### **Warehouse District**

Characterized by its red brick warehouses, the Warehouse District has transformed into an intriguing mix of restaurants, specialty shops, and antique stores, attracting entertainment seekers. Home of the Contemporary Art Museum and the legendary Pit BBQ Restaurant, the district will continue to add new attractions in the coming years. The Union Station project will bring a multimodal transit center to life in this historic district, connecting commuters and tourists. In addition, Citrix announced its expansion of 40,000 square feet (total square feet: 170,000) on the site of the Dillon Supply Warehouse to accommodate growth.

### **Fayetteville Street**

Known for its world-class theater venues, skyscrapers full of Class A office space, outdoor event space, and an outdoor amphitheater, this district bustles with commerce during the day and pulses with youthful energy at night. Located in the heart of Fayetteville Street, City Plaza is downtown's premier location for outdoor events and festivals. With a growing array of distinctive restaurants, bars, and boutiques, this cosmopolitan district has been named the "Great Main Street" of downtown. New office developments, Charter Square, The L, and 227, will add a total of 650,000 square feet of mixed-use space to the district.



## #1 Among **Fastest-Growing** Cities In The U.S. (Raleigh) - Forbes, March 2013

### **Capital**

The Capital District is the power center of North Carolina featuring the State Capitol, the Governor's Mansion, and 3.5 million square feet of government office space. The district is also home to the NC History Museum and the NC Museum of Natural Sciences, rated as one of the top 10 science museums in the nation and was the number one most visited attraction in North Carolina in 2012.

### **Glenwood South**

No district in downtown Raleigh does hip and artistic like the Glenwood South District. Progressive restaurant concepts line Glenwood Avenue and create the place to see and be seen on warm evenings. Destination attractions like the Carter Building attract art collectors to its studios from all over the state and beyond. The district's nightlife will soon welcome a significant residential boom, as more than 900 new condos and apartments will help to sustain the district's vitality.

### **Moore Square**

Listed on the National Registry of Historic Places, Moore Square Park offers a getaway for downtown employees seeking a relaxing space. Wells Fargo IMAX® Theatre and Marbles Kids Museum attract over 600,000 visitors annually making this district a popular family destination. The historic City Market offers an eclectic collection of independent retail stores and great restaurants surrounded by charming cobblestone streets. Anchored by Artspace—a 30,000 square foot historic building with 25 artist studios—the district also boasts a bustling artistic scene. The Moore Square Transit Center accommodates over 15,000 daily commuters. Strong restaurant owners are positioning the district to be a dining destination. Already filled with several residential communities, the district's additional 500 apartments slated for completion in the next two to three years will bring a big-city feel to the area.



# Downtown Revitalization Timeline



© Carolyn Scott



© Kyle Ketchel, Visual Properties



**2005 | \$60 MILLION** in residential construction completed—The Hudson, The Paramount, and The Dawson



**2006 | RALEIGH WIDE OPEN**—Fayetteville Street transformed downtown



© Kimley-Horn



© Carolyn Scott

**2003 | LIVABLE STREETS PLAN:** Five transformative projects in five years:

1. Fayetteville Street renaissance
2. Fund and build new Raleigh Convention Center and hotel
3. Pedestrian environment improvement
4. Improve business climate through regulatory reform
5. Expand downtown management and marketing

**2007 | \$123 MILLION IN DEVELOPMENTS**

- Marbles Kids Museum expands
- Heilig Levine is renovated
- Residential options completed:
  - Quorum Center
  - Palladium Plaza
  - Carlton Place
  - Chavis Heights



© Carolyn Scott



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**2008 | RALEIGH CONVENTION CENTER AND MARRIOTT CITY CENTER OPEN**

- Attract conventions and trade shows to downtown
- Provide lodging to visitors

**2008 | \$630 MILLION OF COMPLETED PROJECTS**

- 426 luxury condo units in RBC Plaza (now PNC Plaza), West, and 222 Glenwood

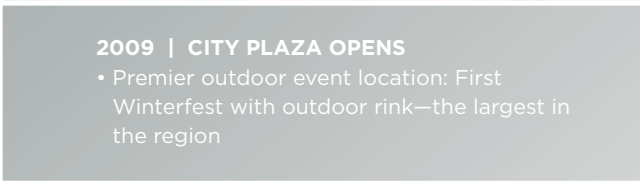
**2004 | TWO PROGRESS PLAZA**, now Red Hat Tower, completed—the \$100 million project added over 350,000 square feet of office space



© Carolyn Scott

**2009 | CITY PLAZA OPENS**

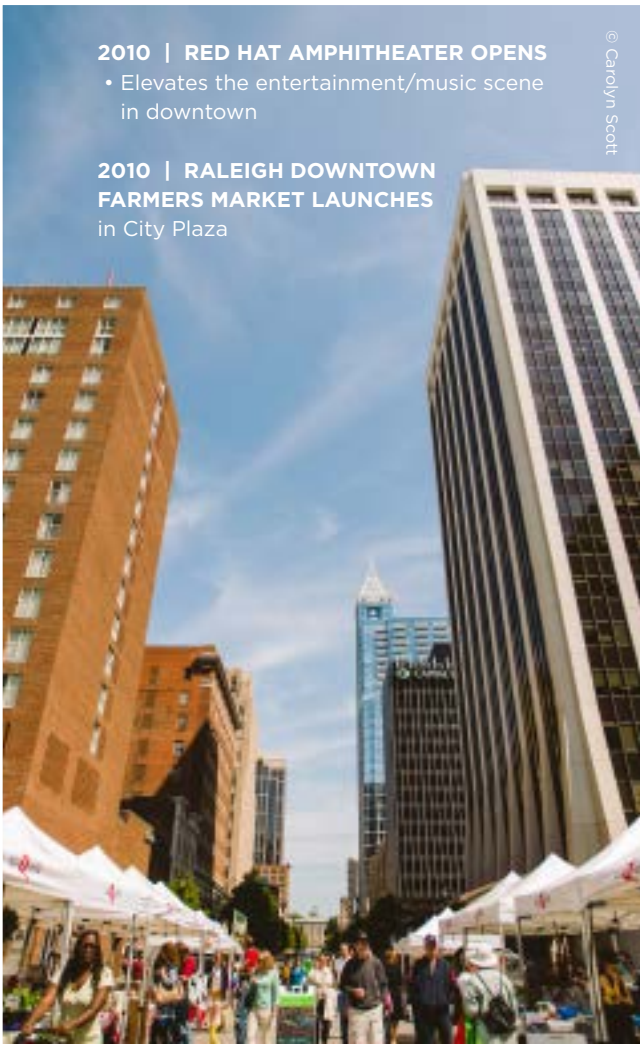
- Premier outdoor event location: First Winterfest with outdoor rink—the largest in the region



**2010 | RED HAT AMPHITHEATER OPENS**

- Elevates the entertainment/music scene in downtown

**2010 | RALEIGH DOWNTOWN FARMERS MARKET LAUNCHES**  
in City Plaza



© Carolyn Scott

**2011 | CONTEMPORARY ART MUSEUM (CAM RALEIGH) OPENS** anchoring the Warehouse District



© Carolyn Scott

**2012 | THE NATURE RESEARCH CENTER GREEN SQUARE OPENS**  
drawing 1.2 million visitors



© www.gottschallphoto.com

**2013 | IPREO JOINS TECH COMPANIES**

- Relocated to 17-story tall One Bank of America Plaza building
- Employment: Will create 250 new jobs by the end of 2017 and invest more than \$3 million in the new facility

**2013 | RED HAT TOWER OPENS**

- \$30 million renovation of the former Duke Energy building
- Brought 900 jobs and will add hundreds more in 2014

**2013 | JUSTICE CENTER OPENS**

- \$153 million investment
- Prominent place for residents to engage in local government activities
- LEED Silver certified

**2013 | CITRIX**

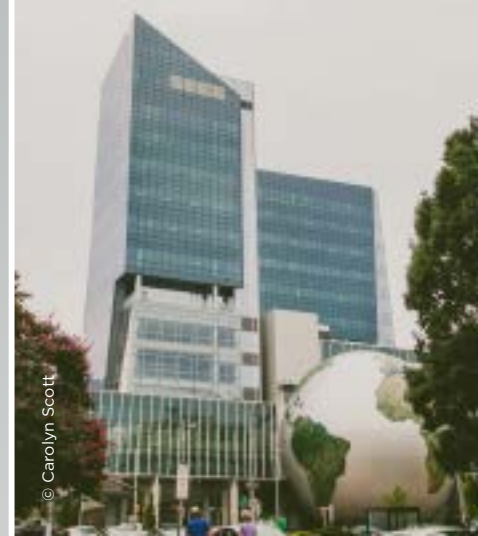
- Additional expansion of 40,000 square feet to the project that was originally slated for 130,000 square feet on the site of the Dillon Supply Warehouse
- More than 300 new jobs created in the Warehouse District



© Carolyn Scott

**2013 | SECU COMPLETES GREEN SQUARE**

- \$45 million project
- 12-story tower, 240,000 square feet occupied



© Carolyn Scott



# DEVELOPMENT + INVESTMENT

DOWNTOWN IS A HIGH-YIELD INVESTMENT. PUBLIC INVESTMENT IN INFRASTRUCTURE—THE RALEIGH CONVENTION CENTER, RED HAT AMPHITHEATER, FAYETTEVILLE STREET, AND CITY PLAZA—STIMULATE MILLIONS OF DOLLARS IN PRIVATE INVESTMENT EVERY YEAR.

With millions of dollars of projects on the horizon, downtown Raleigh is exploding. The planned multimodal Union Station will serve the region's growing population as the center for bus, high speed, and commuter rail, bringing more value to downtown investment.

Eight projects totaling **\$343 million** were completed in 2013, and 2014 promises to be a banner year for new projects. New announcements are expected in the office, hotel, and apartment arenas. Projects worth over \$195

million are currently under construction and over **\$451 million** more worth of construction is already planned. The diversity of the types of projects—primarily multi-family residential and office/commercial—bode well for downtown's continued revitalization.

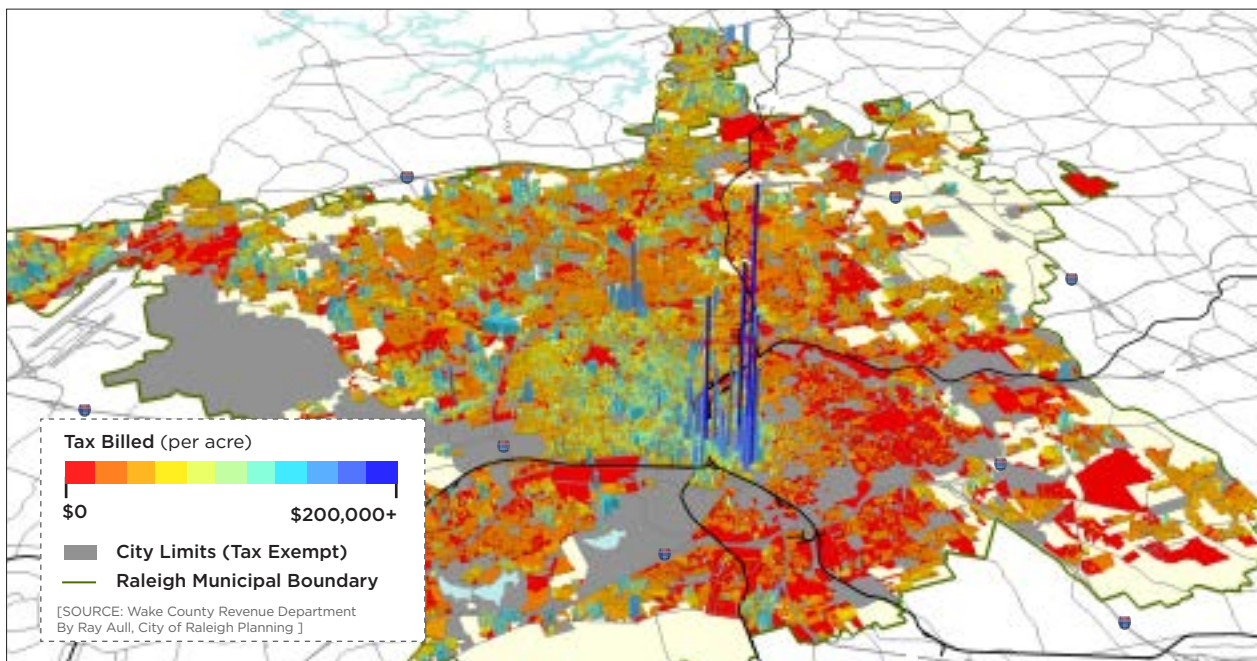
The multi-family residential community continues to boom in downtown. There are **\$321 million invested** in planned and under construction projects expected to yield 2,257 rental units.

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## **\$2.3 BILLION** completed, under construction, and planned projects in the CBD in just **10 years**

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**TAX REVENUE** | RALEIGH'S SHARE OF THE TAX YIELD OF EACH PARCEL ON A PER ACRE BASIS





# CITRIX

© Carolyn Scott

MITCHELL SILVER, City of Raleigh Planning and Development

"Downtown Raleigh continues to gain momentum as an economic driver for the city. Over the next 10 years, Downtown Raleigh will continue to grow and prosper. The new projects will add to the diversity of places to live, work and be entertained. The new downtown plan will lay out a vision for what can be accomplished over the next 10 years. Raleigh is a city on the rise and its best years are yet to come."

# UNION STATION



# CHARTER SQUARE



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## PLANNED/UNDER CONSTRUCTION

### Union Station

Currently in design development, the \$60 million first phase of the planned Union Station multimodal complex includes renovations of the existing Dillon Supply Company Warehouse, also known as the Viaduct Building. Subsequent phases of Union Station will include connections to: bus and parking, commuter rail and light rail, along with facilities for taxis, bicyclists, and pedestrians. This Warehouse District station will make the CBD a gateway to the South.

### Citrix

Citrix downtown headquarters will total almost 170,000 square feet for the \$25 million project. Phase two includes construction of an additional two floors of office space atop the 126,646 square foot building currently under construction in the Warehouse District. The expansion will create enough office space for another 150 employees, which would be in addition to the 487 employees. The building is aiming for LEED Silver certification.

### Charter Square

This new building provides 11 stories and 243,379 square feet of rentable commercial space and 27,875 square feet of retail space. Charter Square will tower above a sophisticated mix of premier retail, restaurants, and metropolitan nightlife. The \$54 million building will sit atop a 622-space underground, city-operated parking deck with 600 reserved spaces for the building's office tenants. The project is designed to achieve LEED Platinum certification.

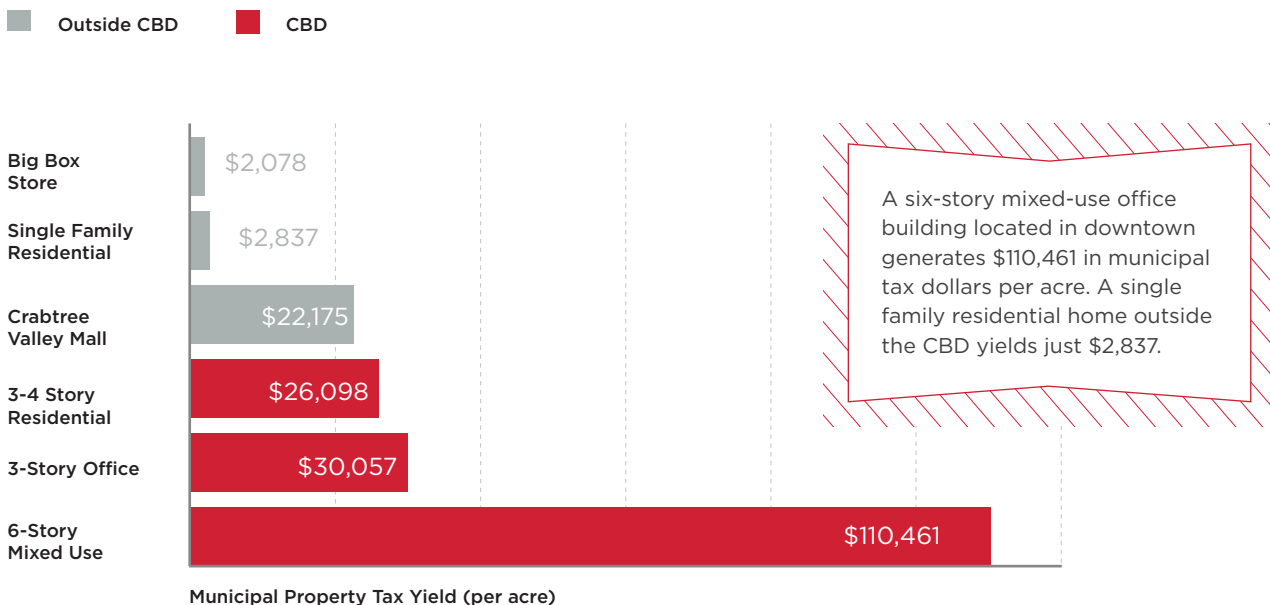
### Downtown Raleigh Vision Plan

DRA and the City of Raleigh are collaborating on a 10-year strategic plan for on-going growth and development in downtown. City Council members approved a \$343,500 contract with Boston-based planning and design firm Sasaki Associates Inc. to help create a new downtown master plan and map out the city's next stage of growth for the coming decade. DRA raised \$250,000 to contribute to the planning process. The plan's logo expresses downtown's unique role in creating memorable experiences.

## DENSITY | VALUE IN CBD ASTRONOMICALLY HIGHER

Public investment in downtown's CBD generates more tax value and return on investment than low density suburban areas. In the past decade, \$2.3 billion worth of investment projects have been planned and completed.

Key investments in infrastructure and public space catalyze new private development, attracting merchants, entrepreneurs, and residents.





These new projects/significant renovations made an **IMPRINT** on downtown in 2013.







## DEVELOPMENT

### North Carolina State Bar Headquarters

Completed in 2013, the North Carolina State Bar building accommodates the staff necessary to service a burgeoning lawyer population and a regulatory program that had become greatly diversified. At a cost of \$187 million, the new headquarters building contains a total of 60,000 square feet of space for 80 employees, plus two courtrooms for disciplinary hearings. The facility is now an integral part of the state government complex.

### Wake County Justice Center

The \$153 million Wake County Justice Center serves as an important place for a growing population to participate in the judicial system, access public records, and engage in local government activities. At 577,000 square feet, the multi-use high rise facility houses the daily function of the criminal courts, public records, and county administration. The center contains 19 courtrooms, a grand jury hearing room, and expansion space for four future courtrooms.

Approximately **\$343 million in development projects** were completed in 2013. Projects totaling **\$186 million** are under construction, and **\$451 million** more in projects are in the planning stages with more to come!



### St. Mary's Square

This urban infill apartment community sits on the corner of Johnson and St. Mary's Streets in the Glenwood South District. The active commercial and residential neighborhood presented a unique challenge when demolishing four vacant buildings and subsequently constructing 134 luxury apartment and live/work units on four levels. Six levels of parking bring the total square feet to 195,412 on only 1.2 acres.

### 111 Seaboard

The \$3.8 million redeveloped 111 Seaboard is an adaptive reuse of a single-story office building that previously housed an office of the North Carolina Department of Insurance. The 15,000 square foot project was reinvented as a retail-only development in 2012. Now home to seven tenants including Bad Daddy's Burger Bar, Kimbap, Donato's Pizza, and Sola Salon, it serves as a warm entry into the Seaboard Station community.

### Sheraton Raleigh

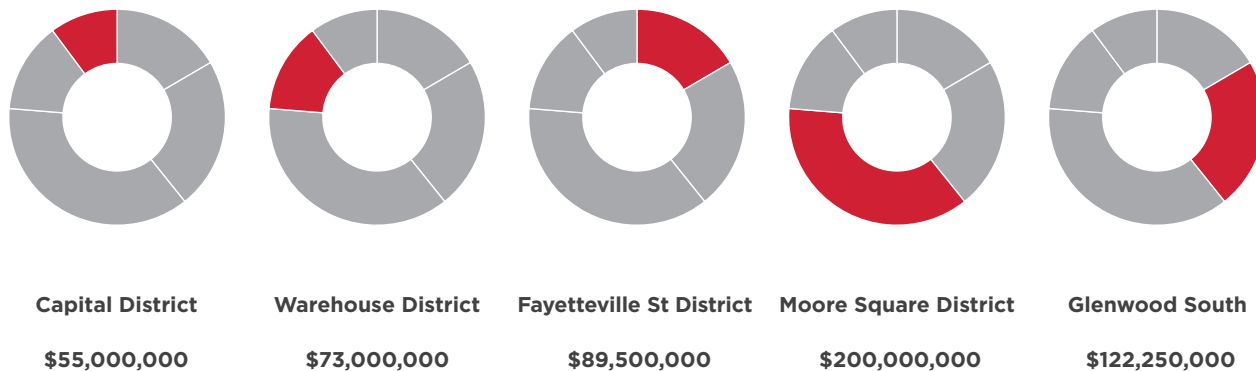
As downtown's longest standing hotel property, the Sheraton Raleigh hotel has seen its share of change. The hotel invested \$5.5 million into the 30,000 square foot renovation, which brought the addition of Jimmy V's Osteria + Bar to City Plaza and created a vibrant buzz with a community focus. The restaurant donates 2.5 percent of all proceeds to benefit the V Foundation for Cancer Research.

### Red Hat Tower

This 19-story mixed-use space serves as headquarters for open source leader Red Hat. Newly dubbed Red Hat Tower, the near 400,000 square foot facility houses some of the tastiest restaurants in town on the ground floor, six floors of public parking, and 12 floors of corporate and collaborative workspace for the technology giant. The building is the first LEED Gold certified high-rise in downtown.

## WHAT'S NEW | PROJECTS UNDER CONSTRUCTION AND ANNOUNCED FOR 2014-2017

This shows a healthy growth pattern in terms of distribution. The entire downtown is growing!



## WHAT'S NEW | DEVELOPMENT PROJECTS IN DOWNTOWN

PROJECT NAME	INVESTMENT	STATUS	SQUARE FEET
<b>MOORE SQUARE DISTRICT</b>			
RED HAT TOWER	\$30,000,000	2013	366,000
SKYHOUSE RALEIGH	\$60,000,000	Under Construction	358,986
MARBLES KIDS MUSEUM EXPANSION	\$2,000,000	Under Construction	900
EDISON APARTMENTS	\$40,000,000	Planned	290,000
EDISON OFFICE	\$120,000,000	Planned	315,000
MOORE SQUARE RENOVATION	\$15,000,000	Planned	Infrastructure
THE LINCOLN	\$35,000,000	Planned	318,000
THE TEN AT SOUTH PERSON	\$2,400,000	Planned	16,824
<b>CAPITAL DISTRICT</b>			
HOLIDAY INN RENOVATION	\$2,000,000	2013	NA
NORTH CAROLINA STATE BAR	\$16,000,000	2013	60,000
STATE EMPLOYEES CREDIT UNION	\$40,000,000	2013	249,500
BLOUNT STREET COMMONS	\$50,000,000	2013	39,032
PEACE ST. INTERCHANGE/WADE AVE. BRIDGE	\$36,000,000	Planned	Infrastructure
PEACE STREET TOWNES	\$4,500,000	Under Construction	20,000

PROJECT NAME	INVESTMENT	STATUS	SQUARE FEET
WAREHOUSE DISTRICT			
CITRIX	\$25,000,000	Under Construction	166,000
HQ RALEIGH	\$700,000	Under Construction	14,710
UNION STATION	\$73,000,000	Planned	26,000
FAYETTEVILLE STREET DISTRICT			
SHERATON RALEIGH HOTEL RENOVATION	\$5,500,000	2013	30,000
WAKE COUNTY JUSTICE CENTER	\$187,700,000	2013	467,240
THE AMERICAN UNDERGROUND @ RALEIGH	\$500,000	2014	5,280
200 S. SALISBURY	\$3,000,000	Under Construction	10,903
227 FAYETTEVILLE ST.	\$8,000,000	Under Construction	101,439
BOYLAN PEARCE BUILDING	\$5,500,000	Under Construction	31,820
SUNTRUST	\$2,000,000	Under Construction	1,900
THE L	\$17,000,000	Under Construction	110,000
CHARTER SQUARE	\$54,000,000	Under Construction	243,379
EXCHANGE & MARKET PLAZAS RENOVATION	\$1,500,000	Planned	Infrastructure
HILTON GARDEN INN (130 ROOMS)	NA	Planned	85,000
RESIDENCE INN BY MARRIOTT (150 ROOMS)	NA	Planned	100,000
GLENWOOD SOUTH DISTRICT			
425 N. BOYLAN	\$35,000,000	2013	279,208
ST. MARY'S SQUARE	\$27,500,000	2013	119,922
HIBERNIAN PUB RENOVATION	\$1,200,000	2014	5,000
CAROLINA ALE HOUSE	\$7,500,000	Under Construction	37,048
220 THE SAINT	\$7,000,000	Planned	40,000
513 W. PEACE ST.	\$250,000	Planned	2,000
THE LINKS AT GLENWOOD	\$30,000,000	Planned	276,119
THE BEER GARDEN	NA	Planned	8,670
THE GRAMERCY	\$30,000,000	Planned	168,398
WEST APARTMENTS	\$20,000,000	Planned	270,000
WEST APARTMENTS II	\$25,000,000	Planned	286,480



# LIVING

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DOWNTOWN RALEIGH HAS ONE OF THE **GREATEST CONCENTRATION OF CONDOMINIUMS AND TOWNHOMES** IN THE TRIANGLE REGION WITH OVER 2,127 UNITS IN THE CENTRAL BUSINESS DISTRICT.

Downtown Raleigh's residential market continues to grow as interest in urban living increases. Downtown walkability speaks to both the area's resurgence and the growing marketability of urban living, meeting the demands of young professionals. Downtown's double-digit residential population growth over the past decade is largely due to

the demand for rental housing, amenities, and attractions, which make downtown living a highly desirable option.

Forty-two percent or \$330.4 million of \$780 million in development underway or planned for the downtown area in the next three years is residential.

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The Glenwood South District alone boasts **five new planned residential projects** in this growing urban community.

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## NEW RESIDENTIAL BUILDINGS

### **Skyhouse Raleigh**

High density development continues in downtown with Skyhouse's groundbreaking in 2013 and plans to complete in late 2014. The 23-story mixed-use tower will be the tallest residential building in the Triangle with 320 luxury apartment units. The \$60 million project features 5,400 square feet of retail and a rooftop pool.

### **The Link at Glenwood**

This 203-unit, multi-family project is planned for the vibrant Glenwood South District. Within walking distance to shops, restaurants, and nightlife venues, the property is situated on a two-acre infill site with a density of over 101.5 units per acre. The six-floor building will contain a mix of studio and one-and-two-bedroom units and a parking deck for approximately 187 cars.

### **The L**

This \$17 million public-private development project—a partnership between Wake County and Empire Properties—broke ground in December of 2013. The 100,000 square foot mixed-use building will “wrap” two sides of an existing parking deck that Wake County completed during the first quarter of 2009. In addition to 83 residential units, the building will also include 11,000 square feet of ground-floor retail space. There will be 500 hourly parking spaces available on-site for visitors.

### **The Lincoln**

This 224-unit apartment complex designed by JDavis Architects will revitalize a two-acre block just east of Moore Square, a mere five-minute walk from the bars and restaurants around Fayetteville Street.

A state-of-the-art fitness center, 10-foot ceilings, custom cabinetry with built-in wine racks, and downtown's picturesque skyline help create a luxurious living environment in the new St. Mary's apartment complex.



© Sterling Stevens

**TRACY BARNES, Downtown Raleigh Resident**

“My husband and I spent 13 years living all around Raleigh and most weekends we would drive downtown to take advantage of the restaurants and/or bars...To my greatest surprise, we not only have several dozen restaurants and bars within walking distance of our condo, but we now have several dozen friends that we consider family.”

**RENT | 2,257 APARTMENT UNITS PLANNED AND UNDER CONSTRUCTION**

PROJECT	DISTRICT	NUMBER OF UNITS
220 THE SAINT	Adjacent to Glenwood South	149
BLOUNT STREET COMMONS	Capital	500
THE EDISON APARTMENTS	Moore Square	239
THE GRAMERCY	Glenwood South	209
THE L	Fayetteville Street	83
THE LINCOLN	Adjacent to Moore Square	224
THE LINK AT GLENWOOD	Glenwood South	203
SKYHOUSE RALEIGH	Moore Square	320
WEST APARTMENTS	Glenwood South	153
WEST APARTMENTS II	Glenwood South	177

[ SOURCE: Downtown Raleigh Alliance ]

**TOTAL 2,257**

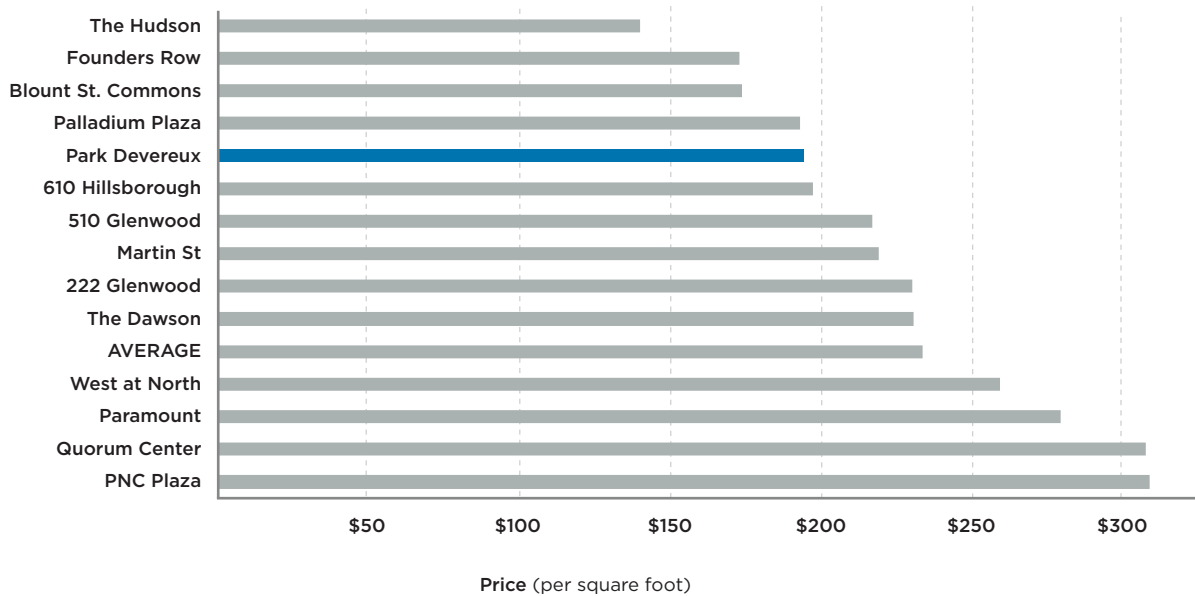
## CONDOS

Apartments are skyrocketing, but it was the growth of condominiums at the turn of the century that spearheaded the growth of downtown Raleigh living. Townhomes are also gaining interest as the supply of condominiums hasn't increased over the past few years.

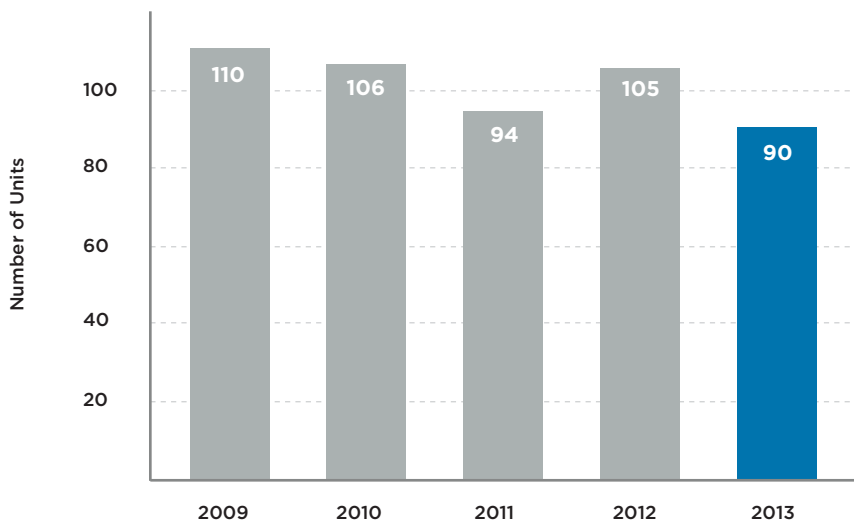
DRA contracted with Hilary Stokes, a broker with Allen Tate Realtors, to provide a condo assessment for the past year. According to Stokes, "Downtown Raleigh's condo sale

history has been a story of new buildings coming online at the same time, auctions after the economic downturn, and special promotions and incentives. With 2013 sales, we are starting to see what true demand looks like without big marketing budgets. The future looks promising as the apartment boom brings in more residents and fills the pipeline with buyers who choose to make a permanent home in the downtown area."

### 2013 | AVERAGE PRICE PER SQUARE FOOT BY BUILDING



### SALES | NUMBER OF CONDO UNITS SOLD BY YEAR





Davie St



# OFFICE + EMPLOYMENT

THE DOWNTOWN OFFICE MARKET CONTINUES TO BE A PREMIER LOCATION FOR TECHNOLOGY AND R&D CENTERS SERVING THE WORLD'S LEADING FINANCIAL SERVICE FIRMS. WITH THE ARRIVAL OF IPREO IN 2013, DOWNTOWN WILL HAVE **MORE THAN 2,000 TECHNOLOGY EMPLOYEES** BY THE END OF 2014.

## OFFICE

Ipreo, a leading provider of market intelligence and technology to investment banks, plans to attract over 250 employees and invest over \$3 million in its Fayetteville Street location. The company leased a full floor of Class A office space in the One Bank of America Plaza building.

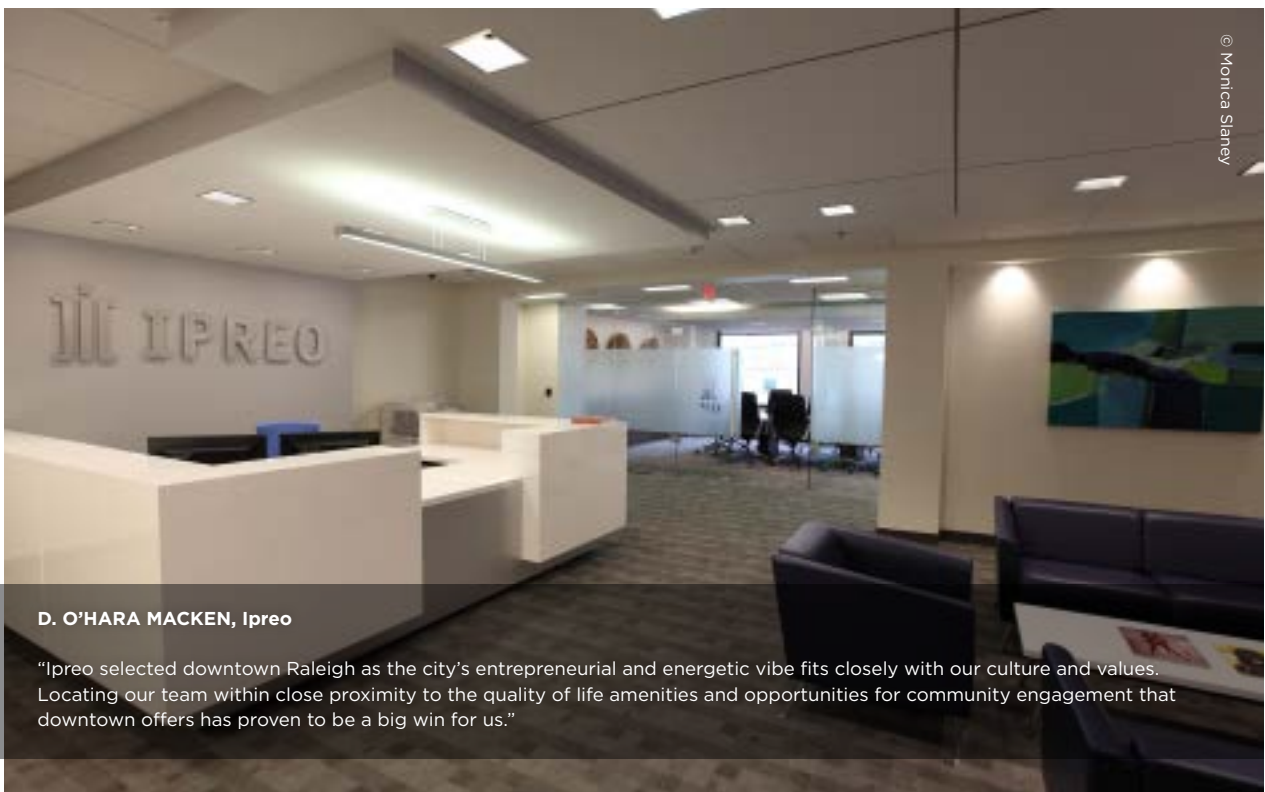
Downtown pioneer Red Hat plans to house over 1,200 employees at its downtown global headquarters.

Citrix Systems, a provider of virtual computing solutions that recently acquired local start-up ShareFile, will be completing construction of its new office building in the summer of 2014. The original plan was expanded to 170,000 square feet to meet its growing employee base. The \$12.5 million expansion will bring a total of \$37.5 million investment to downtown's Warehouse District.

Citrix expects to hire over 500 employees.

The 110-block CBD contains more than five million square feet of commercial office space and an additional 5.68 million square feet of government offices housing federal, state, county, and city workers.

Overall Triangle vacancy rates remain extremely low at just 5.45 percent. In a national comparison of Class A vacancy rates among 65 CBDs, the Raleigh-Durham-Chapel Hill area ranked third lowest at 5.45 percent, significantly lower than the national average of 13.19 percent. With a total inventory of only 3.6 million square feet of Class A and B space in addition to low vacancy rates, the availability of contiguous office space for companies with larger footprints is scarce.<sup>1</sup>



**D. O'HARA MACKEN, Ipreo**

"Ipreo selected downtown Raleigh as the city's entrepreneurial and energetic vibe fits closely with our culture and values. Locating our team within close proximity to the quality of life amenities and opportunities for community engagement that downtown offers has proven to be a big win for us."

<sup>1</sup>Colliers International, Q4, 2013; Avison Young, Q4, 2013



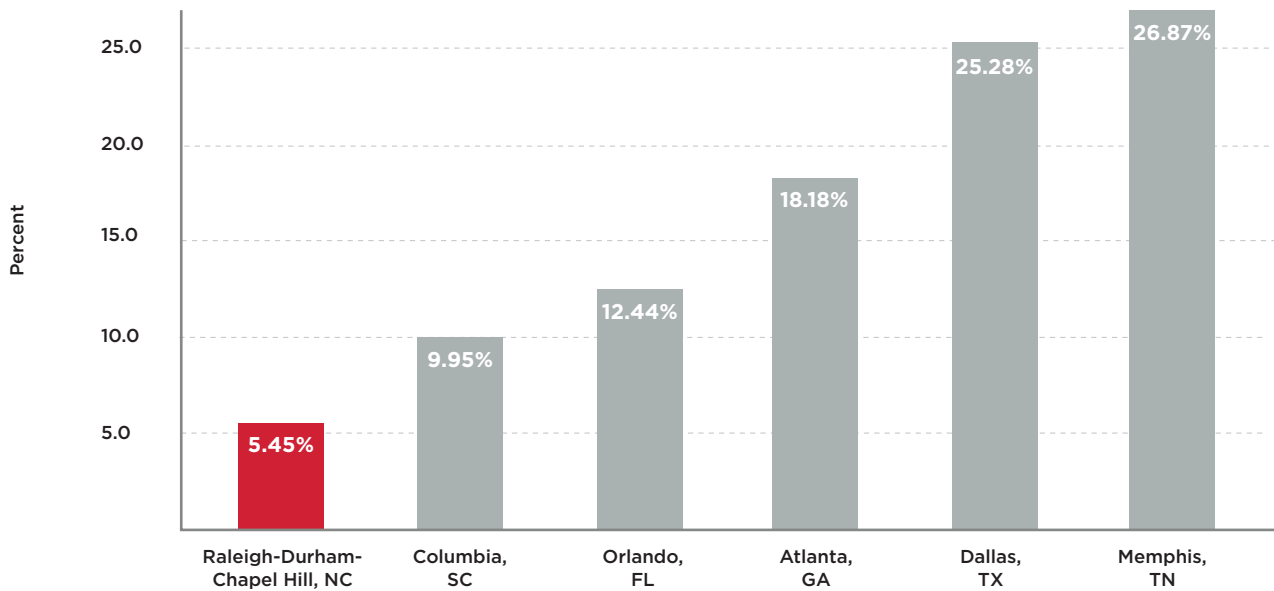
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**ANDY ANDREWS, Dominion Realty Partners**

“The Class A office market in downtown Raleigh has undergone a transformation in recent years. It is generating the most buzz among tenants and brokers and is now considered the top location for a new company in the Triangle. We are so excited to lead this transformation through our Charter Square project in downtown. Our long-term goal is to add over 500,000 square feet of Class A office space to downtown.”

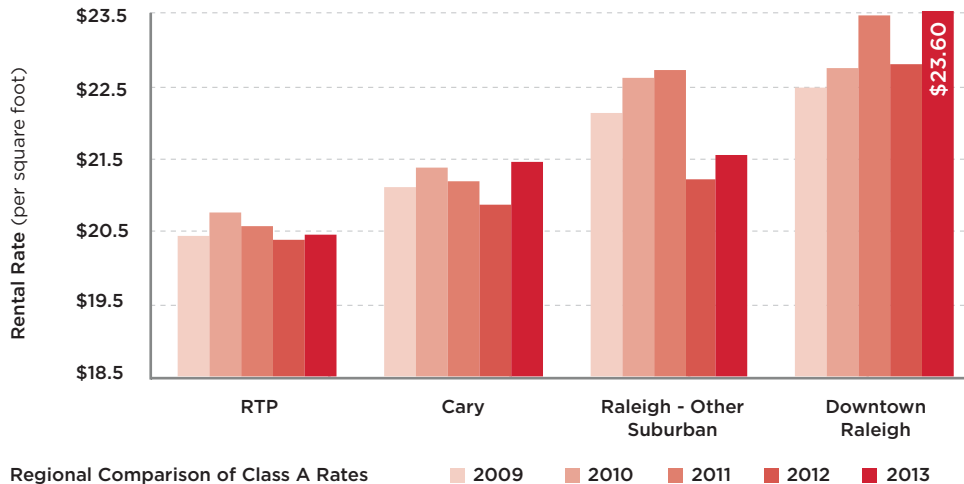
**VACANCY | CBD LOW VACANCY AMONG PEER GROUPS**

Extremely low vacancy rates prove Raleigh is a highly desired area. Over \$2.5 billion in revitalization investments have made this area a top choice among alternatives.



[ SOURCE: Colliers International, Q4, 2013 ]

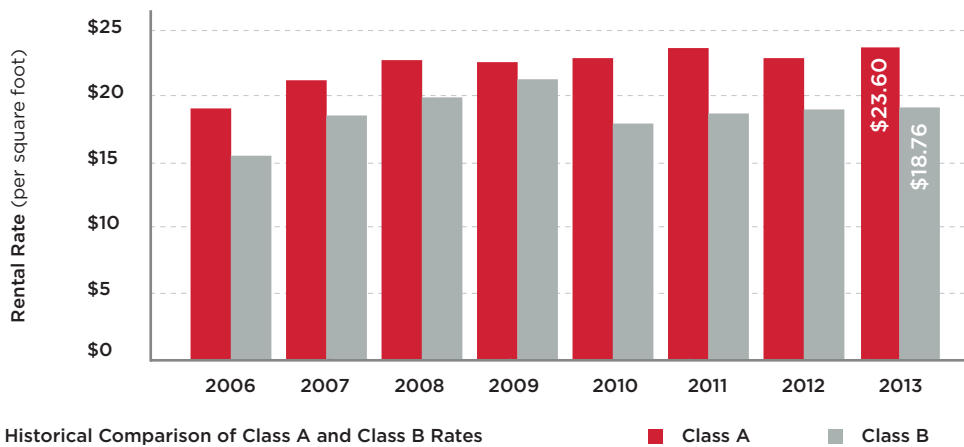
**CBD | LEASE RATES ON TREND WITH SUBURBAN MARKETS<sup>1</sup>**



Due to the continuing growth of downtown Raleigh and an increase demand, Class A lease rates rose to \$23.60 per square foot in 2013. This increase is in trend with the rest of the Triangle submarkets. Low vacancy rates have spurred a substantial uptick in office investment activity.

[ SOURCE: Avison Young, Q4, 2013; Grubb & Ellis, 2006-2011 ]

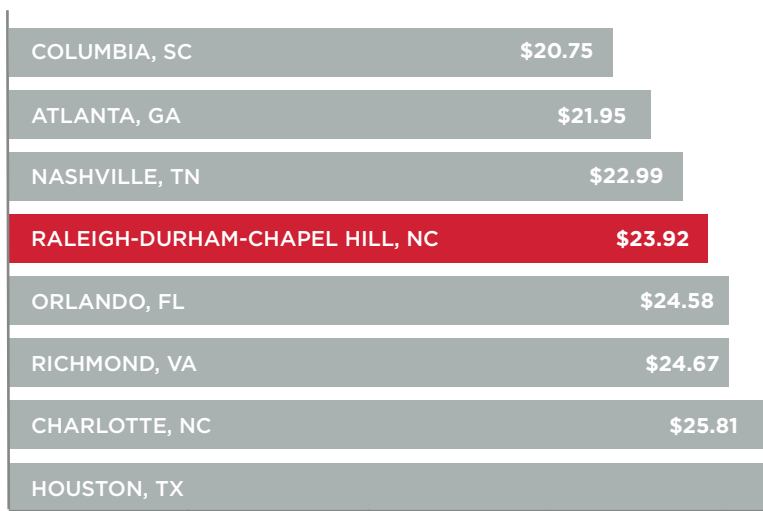
**TRENDS | CLASS A RATES STEADY INCREASE/CLASS B PRICED FOR STARTUPS**



Class A & B: Class A has seen upward pressure due to continued scarcity, while Class B is also showing a slight increase as more companies choose to utilize second generation space until more Class A space becomes available.

[ SOURCE: Avison Young, Q4, 2013; Grubb & Ellis, 2006-2011 ]

**ADVANTAGE | RALEIGH'S CBD COMPETITIVELY PRICED**



While the Triangle area has consistently sustained a higher Class A rate per square foot compared to other North Carolina areas, it is extremely competitive with its peer cities in the southern United States. The greatest challenge is this submarket is the lack of contiguous space available for larger tenants, which provides an opportunity for potential investors.

[ SOURCE: Avison Young ]

National Comparison of Class A Rates



## HQ RALEIGH

**BROOKS BELL, Brooks Bell**

"New opportunities for collaboration and creativity have sparked a surge of entrepreneurship in Raleigh's Warehouse District—creating an exciting center for innovation. A newly diverse group of start-ups, fashion, technology, and art including CAM Raleigh, Citrix, Raleigh Denim, Magnus Health, and HQ Raleigh exemplify the vibrancy of this trend."



## AMERICAN UNDERGROUND



## CITRIX

## BUSINESS INCUBATORS

With the expansion of high-impact start-up incubators HQ Raleigh (formerly known as HUB Raleigh) and American Underground, downtown has transformed into an entrepreneurial hub, cultivating an innovative and collaborative culture. These business incubators provide collaborative workspace and entrepreneurial support to over 80 start-up companies to work, grow, and thrive. These start-ups help spark the innovation that creates new markets and new jobs.

HQ Raleigh is home to a diverse array of over 70 companies representing significant growth. The new building located in the Warehouse District offers about four times the space of the previous location on Hillsborough Street, equipped with 22 office suites and eight conference rooms. The need for larger co-working

space is not only driven by the high demand of new start-ups, but also internal growth of current members.

With two locations already in the Triangle, the American Underground expanded to downtown Raleigh, opening its third establishment in the Fayetteville Street District. One of only seven “Google for Entrepreneurs” tech hubs in the U.S, American Underground currently houses 15 technology start-ups, including Bandwidth Labs, at its 5,280 square foot location with the potential to house more than 25 start-ups. The downtown Raleigh location provides entrepreneurs a home base amid bustling businesses and nightlife. The opening of American Underground will further strengthen the downtown Raleigh entrepreneurial community, spurring business development and economic activity.

American Underground is one of only seven **“Google for Entrepreneurs” tech hubs** in the United States.

### DOWNTOWN EMPLOYEES | DOWNTOWN NEW TECH HUB

COMPANY	EMPLOYEES
RED HAT, INC.	900
CITRIX	487
IPREO	250
PEOPLECLICK AUTHORIA	150

[ SOURCE: Downtown Raleigh Alliance ]

#5  
Among America's New  
**Tech Hot Spots**  
(Raleigh-Cary) - Forbes, January 2013



© www.gottschallphoto.com

**HARVEY SCHMITT, Greater Raleigh Chamber of Commerce**

“Talent has been and continues to be the prime mover for job creation in our market. It is a natural resource that is replenished each year with new graduates from our many universities and colleges. With 50 percent of our workforce having college degrees, we have a competitive advantage that is hard to beat in a knowledge economy.”

---

There are more than **145,000 students** living in the Triangle, offering businesses a wealth of **specialized talent** that is unique to the region.

---

## TALENT

The region is a mecca for talent with nearly 40,000 students attending five universities located within two miles of downtown, and more than 105,000 students in the Triangle. Of these students, 38 percent graduated with a degree in science, technology, engineering, or mathematics (STEM). This concentration of graduates is equipped with the highly-

skilled labor needed in the current employment market. Over 43 percent of residents within one mile of the Capitol hold a college degree—12 percent higher than the national rate. A highly-educated workforce in downtown reaffirms the capital city’s role as a central marketplace for ideas, talent, and entrepreneurial activity.

## EMPLOYMENT

Collaborative and creative professionals have transformed the character of downtown Raleigh businesses from the traditional public sector, banking, and legal service firms in a capital city to cutting edge high-tech companies, business incubators, and start-up businesses. The 40,000 downtown Raleigh employees strengthen North Carolina's economic engine, and the center city is poised for growth.

Employers recognize that downtown amenities and an urban lifestyle attract and retain the best talent. Over the next four years, Citrix plans to generate over 500 jobs with an average salary of \$70,914. Ipreo brings 150 permanent full-time positions with an average salary of \$75,000. Red Hat has 1,000 employees and contractors with an average

salary of \$80,000. The creative class galvanizes downtown activity, filling up restaurants, retailers, and bars. Companies that choose to locate in the CBD are collaborative, high-tech, and entrepreneurial.

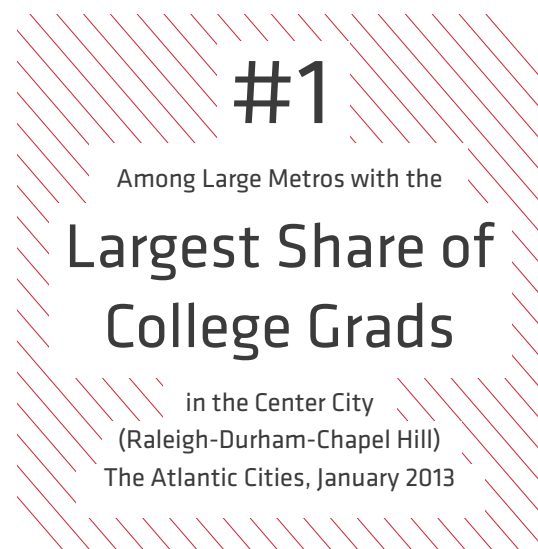
Public investment in infrastructure, diversity of industries, and an educated workforce will continue to attract top firms. Union Station will make downtown the anchor for high speed connectivity for the entire eastern seaboard, giving the CBD yet another competitive advantage.

The number of workers in the professional, scientific, and technological services increased 19 percent between 2009 and 2013.

### DOWNTOWN WORKERS | LARGEST EMPLOYERS

COMPANY	EMPLOYEES
STATE OF NORTH CAROLINA	13,000
DUKE ENERGY	2,500
WAKE COUNTY GOVERNMENT	1,360
CITY OF RALEIGH	1,134
RED HAT, INC.	900
EMPIRE EATS/EMPIRE PROPERTIES	512
SHAW UNIVERSITY	360

HIGHER EDUCATION INSTITUTIONS (within two miles of downtown)	TOTAL ENROLLMENT <sup>1</sup>
NORTH CAROLINA STATE UNIVERSITY	34,009
SHAW UNIVERSITY	2,083
SAINT AUGUSTINE'S COLLEGE	1,442
WILLIAM PEACE UNIVERSITY	1,076
CAMPBELL LAW SCHOOL	422
<b>TOTAL</b>	<b>39,032</b>



### STEM | CONCENTRATION OF TALENT<sup>1</sup>

■ STEM    ■ All Other Degrees





**GINGER AND APRICOT BARK**  
with Creamy Dark Chocolate  
with roasted ginger and apricot  
**\$5.00 WITH TAX**



# SHOPPING

THE ADDITION OF SEVERAL NEW BUSINESSES AND MILLIONS OF DOLLARS IN PRIVATE AND PUBLIC INVESTMENT ARE CONTRIBUTING TO DOWNTOWN'S RETAIL GROWTH. **FORTY-FOUR NEW STREET LEVEL BUSINESSES OPENED**, OVER HALF OF WHICH WERE RETAIL ESTABLISHMENTS. THIS IS A NET GAIN OF 37—A 23 PERCENT INCREASE FROM 2012.

New service retailers such as Salon Kelly, eclectic jewelry store and workshop Quercus Studio, and luxury designer consignment boutique Nora and Nicky's offer a complete retail menu for the downtown shopper and an experience like no other in the region.

Six new shops opened in Historic City Market, bringing retail growth to the Moore Square District: City Market Studios, Nutrafit, Quality Grocery, Seni Side Baliense Handcrafted Art, Social Status, and The Holy Rose.

In order to keep shopping dollars local and support downtown merchants, DRA launched the Shop Downtown Raleigh Gift Card in 2013. The multi-merchant card can be accepted in the 110-block area that makes up the CBD. The gift card provides a great opportunity for locals and visitors to experience a variety of independently-owned and eclectic stores as well as the center city's vibrant shopping scene. The gift card can be used at over 100 participating retailers and service providers as well as restaurants and bars.

Total retail development will bring 2.1 million square feet of retail space and **\$317 million** in investment to downtown.

## WHAT'S NEW | DOWNTOWN RALEIGH ATTRACTS A UNIQUE MIX OF RETAIL

BUSINESS	DISTRICT	TYPE
NÜVONIVO	Moore Square	Children's Clothing and Accessories
HIGH COTTON	Fayetteville Street	Men's Clothing and Accessories
AUNT CARRIE'S CAKE SHOPPE	Glenwood South	Cake and Desserts
SORRY STATE RECORDS	Capital	Curated Rock Records
OAK CITY ROASTERS	Warehouse	Specialty Coffee

Equipped with an on-site factory, Videri Chocolate Factory creates and packages their specialty goods in Raleigh's downtown. The location houses the factory, retail space, and a serene patio area all in one place.



© Stacey Slineone



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**PAM BLONDIN, Deco Raleigh**

“Downtown was the only place I considered putting Deco Raleigh. The downtown renaissance that started several years ago has created an authentic and energetic sense of community. My customers include downtown workers, residents, and visitors of all ages; they love supporting downtown businesses as much as I do, as evidenced by the hundreds of Shop Downtown Raleigh Gift Cards we have sold since the program launched.”



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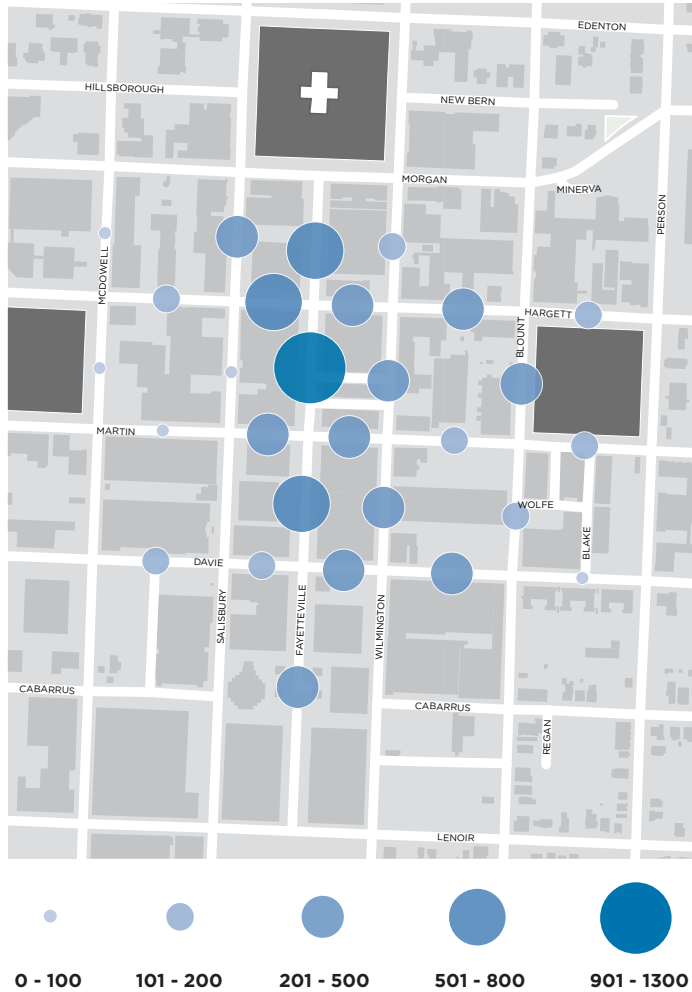


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**SNAPSHOT | FAYETTEVILLE ST PEDESTRIAN ACTIVITY**



**PEDESTRIAN ACTIVITY**

Downtown Stakeholders cite walkability as one of the center city’s greatest assets. Examination of pedestrian traffic in key downtown areas confirmed that downtown Raleigh is bustling with a large pedestrian population—much needed data for retail recruitment. In fact, Raleigh’s pedestrian traffic exceeds the CBDs of San Diego, CA, Knoxville, TN, and Greensboro, NC.

**PEDESTRIAN SNAPSHOT**

Nearly 34,000 pedestrians walked through the Fayetteville Street District during a two and one half hour lunch period. Lunchtime traffic in the district accounts for approximately 40% of total pedestrian activity on a given day.

- Total volume of pedestrians in the Fayetteville Street District during lunch period: 33,939
- Peak time (12:45 p.m.-1 p.m.): 2,069 pedestrians
- Peak block: Fayetteville St. between Hargett St. and Martin St.
- Nightlife in Glenwood South, one of downtown’s thriving entertainment districts, is alive with pedestrian activity, particularly between 11:30 p.m. and 1:30 a.m.
- Total volume of pedestrian traffic between 8 p.m. and 2 a.m. on Glenwood: 17,000+

**#4**  
among  
**best cities**  
in America for  
**small business**  
(Raleigh)  
- The Business Journals, February 2013

More than 95 percent of downtown retail shops are independently owned by local entrepreneurs. Downtown Raleigh’s unique shopping scene and local boutiques have been recognized in national publications and blogs, including the New York Times, USA Today, and The Huffington Post.

**WHAT’S NEW | TYPES OF NEW BUSINESSES IN 2013 IN THE CBD**



[ SOURCE: Downtown Raleigh Alliance ]



# DINING + NIGHTLIFE

DOWNTOWN HAS THE HIGHEST CONCENTRATION OF DINING AND NIGHTLIFE ESTABLISHMENTS IN WAKE COUNTY. THE CENTER CITY'S **MORE THAN 170 RESTAURANTS, BARS, AND ENTERTAINMENT VENUES** CONTRIBUTE OVER 15 PERCENT OF THE COUNTY'S FOOD AND BEVERAGE TAX COLLECTIONS.

## DINING

Downtown's dining and nightlife is a significant economic driver as well as a high quality of life component for residents and visitors of all ages. Empire Eats, a restaurant group comprised of five unique concepts including The Pit BBQ, has been recognized nationally in publications such as Southern Living, Bon Appetit, The New York Times, Gourmet Magazine, and Men's Health.

Downtown represents true culinary diversity with a bounty of appealing dining options ranging from fine

dining, farm-to-fork, and eastern North Carolina barbeque to global fare and tapas. Culinary chefs and food entrepreneurs bolster the restaurant scene by offering creative and unique concepts that receive national and local accolades.

Downtown's walkable urban environment, combined with a critical mass of restaurants, bars, and entertainment venues, create a culture where visitors have the option of deciding their restaurant destination upon arrival.

"I love grabbing dinner and drinks at all the **fantastic outdoor spaces** like Raleigh Times, Landmark, or Trophy Brewing."<sup>1</sup>

**35**  
establishments  
feature  
**outdoor  
dining**  
connecting people with  
the street environment

### WHAT'S NEW | A SAMPLING OF NEW DINING + ENTERTAINMENT VENUES

Dining and entertainment venues comprised 33 percent of new street level business openings in 2013 with 24 new bars and restaurants.

BUSINESS	DISTRICT	TYPE
POGO	Moore Square	Contemporary Restaurant
GARLAND	Fayetteville Street	Indian-Inspired Restaurant
PLATES	Glenwood South	Global Fare Restaurant
KIMBAP	Capital	Korean-Inspired Restaurant
CRANK ARM BREWING CO.	Warehouse	Local Craft Brewery

<sup>1</sup>UDC Perception Survey, 2013



© Tierney Farrell



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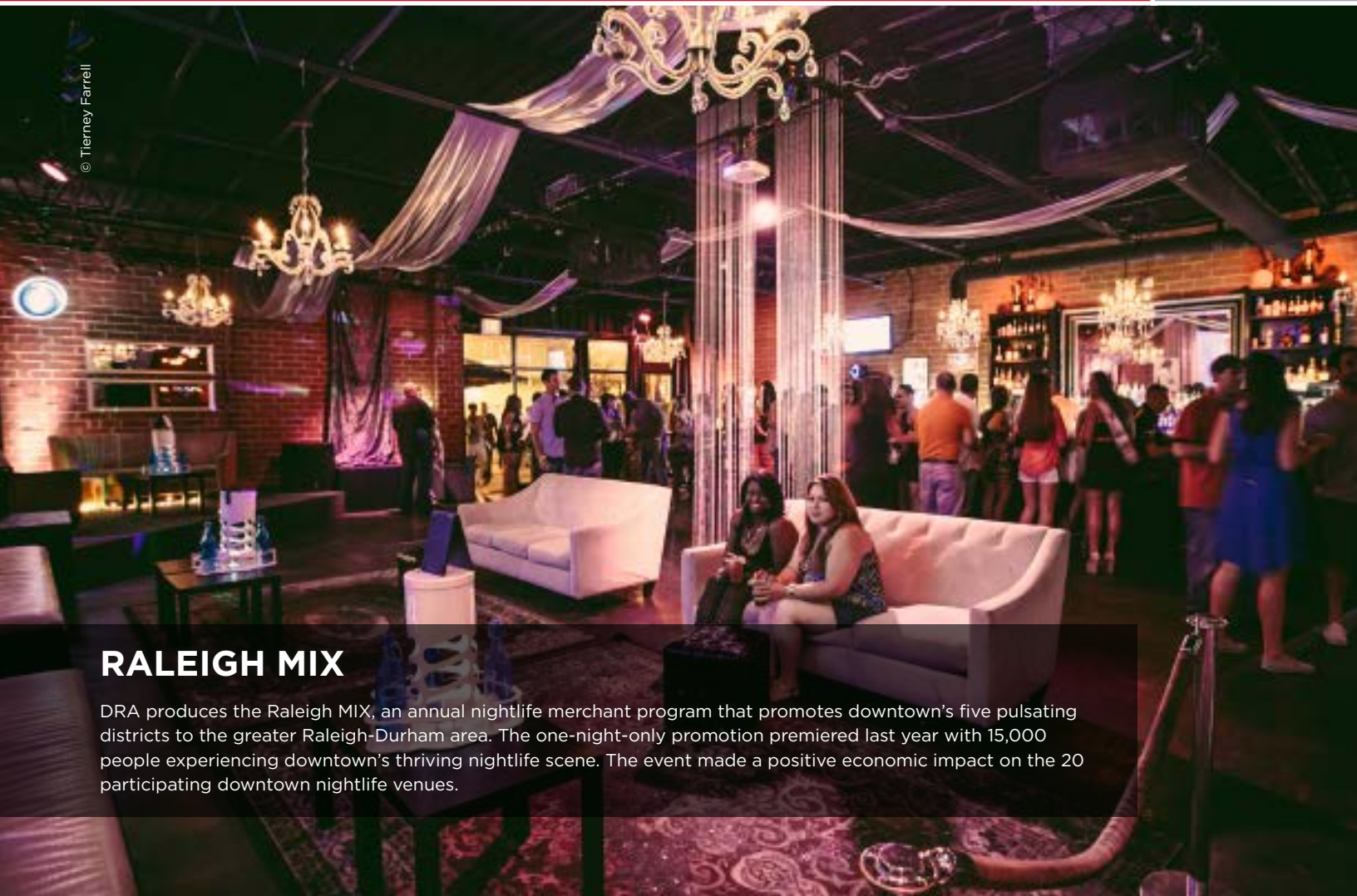
© Tierney Farrell



© Peter Taylor Photography // Bida Manda

### ANDREW STEWART, Empire Eats

"We created restaurants to enhance the downtown community. Companies and residents consistently tell us that downtown's diverse restaurant scene is a key reason to locate downtown. Our restaurants have seen great success over the last five years because we offer comfortable and high quality experiences while continuing to innovate to offer even better and more diverse experiences. The diversity of high quality restaurants in downtown has attracted many more guests to downtown who are curious and creative. We believe this growth will continue as more people focus on downtown as the center of our community. We'll work hard to give our downtown guests new and exciting experiences."



© Tierney Farrell

## RALEIGH MIX

DRA produces the Raleigh MIX, an annual nightlife merchant program that promotes downtown's five pulsating districts to the greater Raleigh-Durham area. The one-night-only promotion premiered last year with 15,000 people experiencing downtown's thriving nightlife scene. The event made a positive economic impact on the 20 participating downtown nightlife venues.

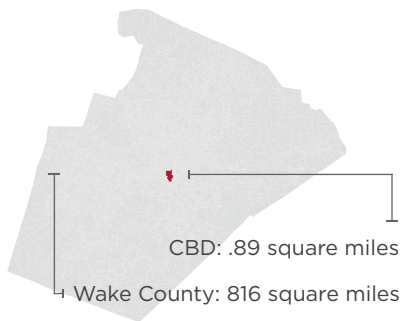
## NIGHTLIFE

Live music venues, unique cocktail bars, English pubs, and trendy clubs are a major draw for the area's young professionals. With a plethora of restaurants, microbreweries, and concept bars in close proximity, downtown's street life stays alive beyond the nine-to-five workday. More than 60 percent of the venues in the CBD are open past midnight.

Downtown is the hub of entertainment and nightlife in the Triangle by virtue of having the highest

concentration of clubs (30 nightclub venues) that offer DJ music. Live music venues and events such as Hopscotch Music Festival, International Bluegrass Music Association Festival, Red Hat Amphitheater, Lincoln Theatre, and the NC Symphony fuel downtown's thriving music scene, attracting crowds from across the state. The nightlife entertainment industry plays a key role in Wake County's economy, generating millions of dollars for the government, particularly through food and beverage tax revenues.

**TAX REVENUE** | CBD GENERATES 60 TIMES THE DINING TAX REVENUE THAN WAKE COUNTY<sup>1</sup>

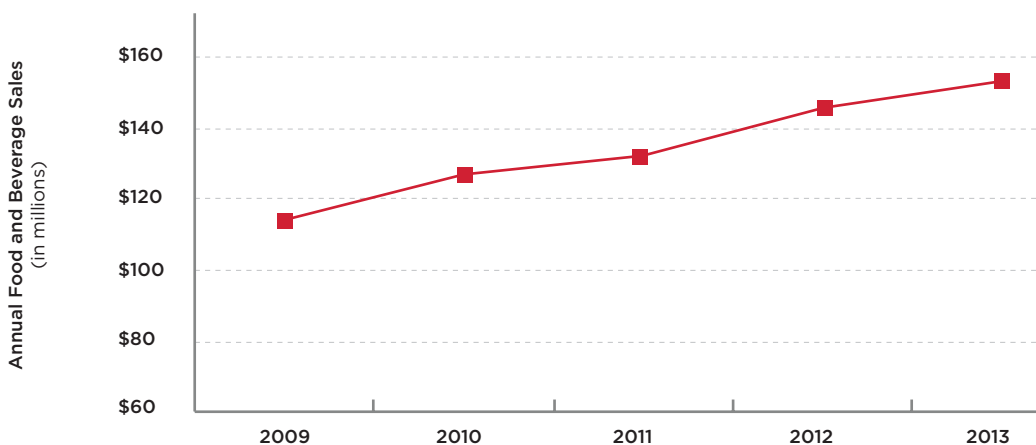


**AMONG AMERICA'S 100 BEST BEER BARS 2014** (Busy Bee Café and The Raleigh Times) - Draft, January 2014

**AMONG 100 BEST BARS IN THE SOUTH** (Poole's Diner) - Southern Living, January 2014

In just five years, restaurant sales in the CBD **increased 34%** to \$153 million.

**DINE** | CBD DINING AND NIGHTLIFE ECONOMY BOOMING<sup>2</sup>



<sup>1</sup> SOURCE: Wake County Revenue Department, Food and Beverage Tax Revenue. // <sup>2</sup>OnTheMap 2013





# TOURISM

FROM TWO PLANNED HOTEL DEVELOPMENTS TO WORLD CLASS ATTRACTIONS, DOWNTOWN RALEIGH IS A **DESTINATION FOR ENTERTAINMENT** AND CULTURAL EXPERIENCES.

The region's largest public tourist destinations including the Nature Research Center at the NC Museum of Natural Sciences, Marbles Kids Museum and Wells Fargo IMAX® Theatre, Raleigh Amphitheater, and Duke Energy Center for the Performing Arts anchor downtown. These venues showcase inspiring exhibits featuring world class collections and talent, drawing new and repeat visitors.

Downtown Raleigh activity flourished in 2013 with over **243 outdoor festivals and events**—128 percent more than

2012—filling downtown streets with over a million people.

Downtown hosted popular events including the International Bluegrass Music Association Convention, which moved from Nashville and attracted over 140,000 visitors. Other highly attended events include 'The Works! Independence Day celebration, Iron Man 70.3, the Raleigh Christmas Parade, Artsposure, Hopscotch Music Festival, and First Night Raleigh, which drew a combined total of nearly 300,000 people downtown.

Over **3.2 million people visited** center city venues and attractions in 2013—**40% more** than 2007.<sup>1</sup>



Courtesy of Triangle Glides

## #5 AMONG AMERICA'S 10 MOST HOSPITABLE CITIES

(Raleigh) - Airbnb, July 2013

## #6 AMONG TOP 10 U.S. VALUE DESTINATIONS

(Raleigh) - Hotwire, March 2013

## 2013 PINNACLE AWARD

(Greater Raleigh CVB) - Successful Meetings, April 2013

The NC Museum of Natural Sciences welcomed over one million visitors for the second consecutive year after the addition of the Nature Research Center wing, which features research and investigative labs for scientists.

<sup>1</sup>Greater Raleigh Convention and Visitors Bureau



© Scott Sharpe, News & Observer

**DENNY EDWARDS, Greater Raleigh Convention and Visitors Bureau**

"More than 12 million visitors per year are discovering why Raleigh is consistently ranked one of the best places in the country to live, play, and visit. Visitors want experiences, and with a culturally cool vibe, chef-driven restaurants, unique festivals, and so much more, the area has secured its place as a premier destination for business and pleasure."



© Holly Jacques



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© Carolyn Scott

## HOTELS

One of downtown's most prominent hotels, Sheraton Raleigh, invested \$5.5 million for a major renovation in 2013, providing a brand new lobby area with communal seating and high speed internet access as well as upgrades to fixtures. The hotel is also home to the fun, hip restaurant, Jimmy V's Osteria + Bar. During the first six months in business, the restaurant generated \$1.6 million in revenue.

Sound Hospitality Management's newly converted Holiday Inn also saw major renovations. The 202-room hotel has historically been an iconic landmark of the CBD. Interior improvements have begun, and a complete overhaul of the interior is expected to be completed in the coming years.

In early 2014, a \$1.73 million deal was approved for a new Marriott Residence Inn Hotel to be constructed next to the Raleigh Convention Center and the Duke Energy Center

for the Performing Arts. Summit Hospitality Group will develop the new hotel with approximately 150 rooms, guest services, and a rooftop lounge. The bottom floor will be comprised of retail/restaurant space and the hotel lobby. Hotel renovations and new planned development will provide more room inventory, fueling the Raleigh Convention Center.

- **Hotel occupancy** in Wake County ran at **63.6 percent**, up 3.3 percent in 2013 over 2012.
- Average daily rate in Wake County was up 1.4 percent at \$86.51 and **hotel room demand was up 5.6 percent** in 2013 over 2012.
- Hotel occupancy for the entire state of North Carolina finished at 58.4 percent and the national average for hotel occupancy ran at 62.3 percent in 2013.

## IBMA

Nashville-based International Bluegrass Music Association (IBMA), the professional trade organization for the global bluegrass community, moved their annual convention to Raleigh in 2013. The weekend festival featured more than 50 bands, attracting over 140,000 people to downtown. The festival generated \$10 million in direct visitor spending and \$5 million in media value.

## RED HAT AMPHITHEATER

Since opening in June of 2010, The Red Hat Amphitheater has become a beacon for live entertainment in the Southeast. Within walking distance of downtown Raleigh's bars, clubs, and restaurants, this 5,000-seat outdoor venue hosts a wide variety of shows including national recording artists such as Bob Dylan and O.A.R. In 2013 a total of 109,098 people attended 29 shows, eight of which sold out completely.

TOP DOWNTOWN ATTRACTIONS	VISITORS
NC MUSEUM OF NATURAL SCIENCES	1,026,177
MARBLES KIDS MUSEUM/WELLS FARGO IMAX® THEATRE	648,450
DUKE ENERGY CENTER FOR THE PERFORMING ARTS	410,913
NC MUSEUM OF HISTORY	349,911
RALEIGH CONVENTION CENTER	333,857
RED HAT AMPHITHEATER	122,414
NC STATE CAPITOL	101,753
ARTSPACE	94,379
NC LEGISLATIVE BUILDING	54,502
CONTEMPORARY ART MUSEUM	22,244
GOVERNOR'S MANSION	18,694
CITY OF RALEIGH MUSEUM	21,127
<b>TOTAL</b>	<b>3,204,421</b>

[ SOURCE: Greater Raleigh Convention and Visitors Bureau ]

## CONVENTION CENTER FACTS

- 500,000 total square feet featuring:
  - 32,600 square feet of meeting rooms
  - 32,620 square foot ballroom
  - 150,000 square foot exhibit hall
- 500 kilowatt solar energy system, comprised of 2,080 panels, producing more than 725,000 kilowatt hours of electricity

[ SOURCE: Raleigh Convention Center ]



# ARTS + CULTURE

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CREATIVITY IS A FUNDAMENTAL ELEMENT OF DOWNTOWN RALEIGH'S AUTHENTIC CHARACTER AND A KEY DRIVER FOR ITS ECONOMY. THE NONPROFIT ARTS AND CULTURE SECTOR BRINGS OVER **\$166 MILLION IN ECONOMIC ACTIVITY** TO WAKE COUNTY WITH RALEIGH ACCOUNTING FOR 86 PERCENT OF IT.<sup>1</sup>

The well-established arts scene, more than 30 years in the making, has been bolstered by city support with activities dating back to 1977, when the City of Raleigh Arts Commission was founded. Today the city and several arts organizations support numerous arts festivals and cultural activities that make downtown a memorable destination.

Downtown is home to distinctive arts and cultural opportunities, contributing to its high quality of life. Collaborative festivals and events like SPARKcon, Artslosure, and First Friday Gallery Walk welcome thousands of patrons to explore new exhibits and opportunities to enjoy the unique social and cultural

experience of downtown. The events connect new artists to the community, offering a variety of ways to participate. Several cooperative working studios and incubators also foster a cohesive and inviting environment for those new to the scene.

Downtown's creativity, vibrancy, and diversity of the arts elevate Raleigh's status to a world-class city that attracts the best, brightest, and most creative talent.

The CBD's growth can be correlated with the growth of the arts, each benefiting the other. The arts generate \$70.2 million in event-related spending by their audiences while also supporting 6,601 full-time jobs.<sup>1</sup>

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First Friday and other free **arts, cultural, and music events** were cited as one of the **favorite things** about downtown Raleigh.<sup>2</sup>

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## MUSIC

Downtown Raleigh has emerged as one of the hottest live music destinations in the Southeast with its dynamic and robust local music scene. It is also one of the most popular destinations for major touring acts. In 2013, the International Bluegrass Music Association (IBMA) moved their annual convention and festival to Raleigh from Nashville, Tennessee. The event spanned five days and attracted over 140,000 visitors to downtown.

## ARTSPACE

Artspace inspires creativity by engaging the community in the visual arts process. A mix of established and emerging artists created a dynamic work environment and a center for hands-on arts education and nationally acclaimed exhibitions. Artspace is Raleigh's visual art center for creation and interaction. The arts drive businesses, create jobs, and prompt prospective employees to relocate to Raleigh.

Carolina Ballet is a world-class professional ballet company based in Raleigh, which hosts 50 performances at the Duke Energy Center for the Performing Arts annually.

<sup>1</sup> Americans for the Arts, Arts and Economic Prosperity IV in Wake County: The Economic Impact of Arts and Culture Organizations and their Audiences, 2013 <sup>2</sup>UDC Perception Survey, 2013



## SPARKCON

© www.gottschallphoto.com



## ARTSPLOSURE

**MARJORIE H. HODGES, CAM Raleigh**

"The downtown Raleigh arts scene continues to thrive and attract thousands of visitors. The First Friday Gallery Walk brings people from the region and beyond to visit CAM Raleigh, Artspace, VAE, and the many fine galleries and artist studios throughout the city. On a given day, one may experience world-class art exhibitions and view the works of local, regional, national, and international artists—all within walking distance—at various venues in downtown Raleigh. Further, the dynamic festivals and events such as SPARKCon, Hopscotch, Artsplosure, and Creative Mornings bring tremendous energy to our city and nurture the creative talent in North Carolina. Most importantly, the arts community in Raleigh is vibrant, innovative, and an undisputed catalyst for economic growth."

## DUKE ENERGY CENTER FOR THE PERFORMING ARTS



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## CAM RALEIGH

© Carolyn Scott



## FIRST FRIDAY



© Michael Zink

## A SAMPLING OF THE ARTS

### First Friday Gallery Walk

For over two decades, First Friday has been the foundation event in defining downtown as the premier destination for arts and culture. Galleries, studios, museums, and alternative art venues stay open late on the first Friday of every month, gathering thousands downtown.

### Artsposure

Since its first festival in April 1980, Artsposure, the Raleigh Arts Festival, aims to promote and bring recognition to national, regional, and local artists, as well as bring artists and the larger community together to improve the quality of life and the cultural environment as a whole.

### SPARKcon

A grassroots initiative, SPARKcon is a three-day celebration of all things creative—art, music, film, fashion, and more. The annual festival showcases local cultural richness through an open-source approach to collaboration.

### NC Symphony

Founded in 1932, the North Carolina Symphony is the first state-supported symphony in the country and the state's largest performing arts organization. From the Raleigh Classical Series to special guest Cirque de Soleil, the NC Symphony hosts many memorable performances at the Duke Energy Center for the Performing Arts and throughout the entire state.

## DOWNTOWN VENUES

Downtown is the center of vibrant activity with nearly 30 studios and galleries, four theaters and six companies housed at the Duke Energy Center for the Performing Arts, the Contemporary Art Museum, 15 live music venues, alternative art venues, outdoor festivals, and nonprofit arts organizations.

### VENUE VARIETY | CULTURAL EXPERIENCES IN EVERY DISTRICT

BUSINESS	DISTRICT	TYPE
LINCOLN THEATRE	Moore Square	Live Music Venue
CITY OF RALEIGH MUSEUM	Fayetteville Street	City's Historical Exhibits
THE CARTER BUILDING	Glenwood South	Collaborative Creative Center
GALLERY C	Capital	Fine Arts Gallery
CAM RALEIGH	Warehouse	Museum

### AT THIS VENUE | DUKE ENERGY CENTER FOR THE PERFORMING ARTS

- **Meymandi Concert Hall:** 81,000 square feet, seating 1,750
- **Raleigh Memorial Auditorium:** 88,000 square feet, seating 2,251
- **Fletcher Opera Theater:** 36,000 square feet, seating 600
- **Kennedy Theater:** Experimental Theater, seating 170

[ SOURCE: Greater Raleigh Convention and Visitors Bureau, Duke Energy Center for the Performing Arts ]



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# ACCESS + CONNECTIVITY

DOWNTOWN RALEIGH ACTS AS A **TRANSPORTATION HUB** FOR VISITORS, EMPLOYEES, AND RESIDENTS. WITH EASE OF ACCESS COUPLED WITH PLANS FOR ADDITIONAL INVESTMENTS IN INFRASTRUCTURE INCLUDING THE MULTIMODAL UNION STATION, DOWNTOWN IS POISED TO BECOME A DESTINATION GATEWAY AT THE LOCAL, REGIONAL, AND NATIONAL LEVELS.

As the population in the region continues to increase exponentially, downtown is enhancing multimodal connectivity to address congestion, improve access and circulation, and accommodate commuters.

Located in downtown's Warehouse District, the planned multimodal Union Station landmark project will amplify downtown's connectivity and is expected to open in

2017. It will accommodate current and future demand for intercity passenger rail, commuter rail, light rail, city bus, regional bus, taxis, bicycles, and other modes of transportation. Funded through city, state, and federal revenue sources, the \$60 million phase one will include the movement of passenger rail service from the existing station into the renovated Viaduct Building, a suite of site improvements, and the supporting rail infrastructure.

“I can **walk** to great restaurants, the bank, post office, dry cleaner, coffee shops—I LOVE that!”<sup>1</sup>



### Raleigh Union Station

The project is among improvements to the railroad corridor between Raleigh and Charlotte to increase railroad capacity, efficiency, and safety. “Raleigh Union Station will spur economic growth and continue the revitalization of a historic area of downtown,” said Mayor Nancy McFarlane. The project is currently in the design development phase, and feedback from citizens, boards and commissions, stakeholders, and technical experts is helping shape the project. Next steps include connections to buses and parking, a commuter rail and light rail, as well as facilities for taxis, bicyclists, and pedestrians.



### Blount Street/Person Street Corridor Plan

The city planned this multimodal project to balance the variety of uses of this area. The \$595,000 phase one will define the lane configuration of Blount and Person Streets to a consistent two travel lanes, adding bicycle lanes and on-street parking on both sides. The corridor will connect existing neighborhoods, retail districts, downtown offices, and a growing number of new mixed-use and residential spaces by providing a safe and attractive solution to motorists, pedestrians, cyclists, and transit riders.

The city launched a bicycle benefits program to reward bike-friendly businesses and individuals and promote safe cycling and sustainable options. There are also four design projects for on-road bicycle facilities underway.

<sup>1</sup>UDC Perception Survey, 2013

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**JENNIFER BALDWIN, City of Raleigh, Office of Transportation and Planning**

"More and more American's are choosing urban, car-less lifestyles—meaning they'd rather walk, bike, car-share, or use public transportation—and they want to live where that's all easy. In order to meet the needs of our citizens, attract new residents and businesses, and create a balanced multimodal transportation network, the City of Raleigh is investing significant resources to improve our bicycle friendliness, walkability, and livability."



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## TRANSPORTATION

### Riding

An eco-friendly approach to urban transportation, the R-LINE is growing in popularity, providing accessibility to all five downtown districts. This free circulator service features hybrid electric buses that connect downtown goers to dining spots, shops, bars, museums, hotels, and parking facilities in downtown Raleigh. In 2013, the R-LINE set a record for most riders in one week with over 8,500 riders during the IBMA Festival. Over 250,000 riders used the R-LINE in 2013.<sup>1</sup>

### Walking

Of Raleigh's extensive 100 miles of greenway, 24 miles are within a three mile ring of downtown. The City of Raleigh recently announced its plans to complete the preliminary design of improvements at 20 downtown intersections, including installation of ADA compliant curb ramps and countdown pedestrian signal heads. Downtown's walkability attracts companies, serving as an influential decision of opening/moving downtown—most offices are within walking distance of the 160+ restaurants and bars.

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## #1 Among Ten Best Cities for Car Drivers (Raleigh) -

NerdWallet, March 2013

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### Parking

Parking decks and surface lots surround the downtown area with more than 35,000 parking spaces and a 60 percent average occupancy rate in downtown's parking garages during the work week. The median monthly rate in downtown's parking garages is 36 percent less than the U.S. median, keeping Raleigh competitive with other growing office markets. Nightlife and entertainment business is supported with 8,200 free parking spaces in city-managed garages after 7 p.m. on non-event weekends.<sup>2</sup>

### Flying

In 2013, more than 9.2 million travelers passed through the Raleigh-Durham International Airport. Eight carriers and their regional partners serve the airport, flying to nearly 40 national and international destinations on 400 flights daily. The airport, just 20 minutes from downtown, offers nonstop service from Raleigh to San Francisco, Los Angeles, and Austin. Projected for completion in early spring of 2014, the \$68 million renovation and modernization of Terminal 1 will serve as the home for AirTran and Southwest Airlines and provide additional room for future growth and additional carriers.<sup>3</sup>

### Driving

Downtown is located at the convergence of 10 major citywide arterials making the center city easily accessible from every direction. In 2012, the City of Raleigh joined forces with Zipcar, a car sharing alternative to owning a car, to give commuters cost-effective alternatives to driving their own vehicles.

The state has approved a \$36 million project that would reshape downtown's northern gateway. The designs include new interchanges on Capital Boulevard at Wade Avenue and Peace Street. These changes will positively impact the businesses in the Blount Street Commons, Seaboard Station, and Glenwood South District areas as well as ease rush-hour traffic in and out of the city.

### Biking

Downtown Raleigh is becoming more inviting to bike commuters. In May 2013, the first real bike corral in the state of North Carolina was installed in downtown on the corner of Hargett and Wilmington Streets—creating space for 12 bikes in one vehicle spot. More than 75 bike racks exist in downtown for employees and residents to park their bikes while visiting, working, or living downtown—providing free parking for approximately 250 bicycles. The City of Raleigh received a \$1.1 million grant from the federal Congestion Mitigation and Air Quality Improvement (CMAQ) program to construct at least 27 miles of marked, on-road bicycle facilities. On the proposed list, four downtown bicycle projects have been selected and construction will begin October 2014. The design of these projects is currently underway and the lead consultant is Vanasse Hangen Brustlin, Inc. joined by Alta Planning + Greenways, Inc., and Kittelson & Associates, Inc.<sup>4</sup>

### Charging

Downtown Raleigh is a leader in electric vehicle (EV) infrastructure, featuring the region's first solar powered EV charging station. In 2013, drivers offset 15.9 tons of CO<sub>2</sub>—saving the equivalent of 1,784 gallons of gas and the electricity needed to power 3.3 homes for a single year—from the CBD's 11 public charging stations. In addition to the sustainability benefits, the city has strategic partnerships with technology firms and universities to use the program to foster economic development and job creation. Raleigh's infrastructure accomplishments have garnered widespread attention, listed among international and U.S. metropolises as a leader in PEV readiness in the international report, "Electric Vehicle EV City Casebook: A Look at the Global EV Movement," published in 2012 by the Center for Climate and Energy Solutions. With newer Nissan Leafs on the market, three original EV charging stations are scheduled for an upgrade to meet compatibility requirements. The City of Raleigh is currently exploring opportunities to install a DC charger in the CBD for public use.<sup>5</sup>

<sup>1</sup>City of Raleigh Public Works Department <sup>2</sup>Colliers International, Central Business District Parking Rate Survey 2012  
<sup>3</sup>Raleigh Durham International Authority <sup>4</sup>City of Raleigh Office of Sustainability <sup>5</sup>City of Raleigh Public Works Department



TOGETHER  
We will place tracks to a Future  
BEYOND ANY ONE'S IMAGINATION

# DRA IMPACT

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THROUGH **STRATEGIC PARTNERSHIPS**, MERCHANT PROGRAMS, AND AMBASSADOR PROGRAM MANAGEMENT, DRA STRENGTHENS DOWNTOWN RALEIGH AS A VIBRANT AND ATTRACTIVE CITY CENTER.

## CORE PARTNERSHIPS

The City of Raleigh contracts DRA as the official nonprofit responsible for downtown revitalization through economic development, special events production, clean and safe ambassador services, advocacy, and more. To further implement the mission, DRA created Raleigh Civic Ventures (RCV) as a 501(c)(3) in 2004 to serve as a supporting organization for the benefit of the Downtown

Raleigh Alliance, thereby expanding its revenue sources. DRA builds strategic partnerships to create a successful downtown. Currently, DRA and the City of Raleigh are collaborating on a 10-year strategic plan for on-going growth and development in downtown. The plan's logo (shown below) was created to showcase downtown's unique role in creating memorable experiences for visitors.

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“We moved here to retire. We just love this city and surrounding area. The **size is perfect**, the people are great, and **cultural activities are wonderful.**”<sup>1</sup>

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Funded in part by DRA, BEST (Beautifying Emerging Spaces Together) Raleigh painted this large mural on the Dillon Supply Company Building in the Warehouse District.

<sup>1</sup>UDC Perception Survey, 2013



© Carolyn Scott



**ALLYSON SUTTON, HQ Raleigh**

“The DRA has been instrumental in sharing our story and facilitating connections with local entrepreneurs, government leaders, and downtown business owners. From providing us with tables for our pop-up co-working space to showcasing our members’ success stories, the DRA’s support has played an incredibly valuable role in the continued growth of our community.”



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© Stacey Simeone



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## IMPACT

### A Connected Downtown

- 475 members—95% retention rate
- 6.7 million combined pageviews at YouRHere.com and DRA program websites
- 14,000+ newsletter subscribers
- Nearly 1,000 attendees at the 2014 Annual Meeting and Awards Ceremony—a 26% increase from 2013

### A Friendly and Safe Downtown

- 1,279 pedestrian escorts in 2013
- 2,846 motor assists in 2013
- 10,436 hospitality assists in 2013
- 110 square blocks patrolled

### An Attractive Downtown

- 56,812 pounds of trash removed from downtown sidewalks in 2013
- Over 718 hours of graffiti removal in 2013
- 433 banners representing five distinct conventions

### A Memorable Downtown

- 246 outdoor events in 2013—128% more than 2012
- 105,000 shoppers throughout the Raleigh Downtown Farmers Market 2013 season spent over \$230,000 on local food products and agriculture and over \$600,000 since 2010
- 15,900 ice skaters at Ipreo Raleigh Winterfest
- 95 out of 131 days of programming in City Plaza produced by DRA

### A Prosperous Downtown

- 20 new storefronts in 2013 received DRA assistance
- 310 merchants benefited from DRA's five signature promotions (First Friday, Shop Downtown Raleigh, the Shop Downtown Gift Card, Downtown Raleigh Restaurant Week, and the Raleigh MIX)
- 108% increase in DRA merchant program participation from 2012
- Launch of Shop Downtown Raleigh Gift Card program: more than 100 participants, over 800 gift cards sold, and over \$46,000 in sales

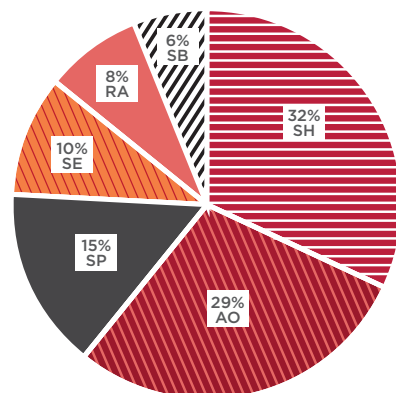
### A Collaborative Downtown

- District Collaboratives:
  - Supported the creation stakeholder groups in each district
  - Convened regular meetings for district groups and provided leadership that focuses on teamwork and results
- Strategic Partnerships:
  - Supported growth of entrepreneurial activity through work with Innovate Raleigh, HQ Raleigh, and American Underground
  - Served on local organizing committee for IBMA's Wide Open Bluegrass Festival resulting in 140,000 downtown visitors, \$10 million in direct visitor spending, and \$5 million in media value
  - Co-branded the R-LINE and Downtown Raleigh Free Wi-Fi

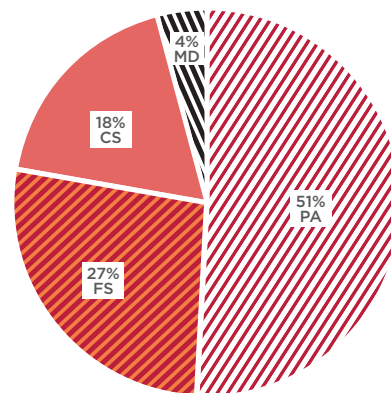
## FISCAL TRANSPARENCY

The Downtown Raleigh Alliance and Raleigh Civic Ventures have a combined \$2.4 million budget.

2013-2014 Combined Budgeted Expenses



2013-2014 Combined Budgeted Revenues



- Safety, Hospitality + Clean (SH)
- Advocacy + Operations (AO)
- Strategic Partnerships + Stakeholder Engagement (SP)
- Special Events + City Plaza Programming (SE)
- Retail Attraction + Merchant Programs (RA)
- Strategic Branding + Community Communications (SB)

- Property Assessment (PA)
- Fee for Service (FS)
- Corporate Sponsorships (CS)
- Member Dues (MD)

# DRA BOARD/STAFF + ACKNOWLEDGEMENTS

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## ACKNOWLEDGEMENTS

Alta Planning + Design  
American Underground  
Americans for the Arts  
Artsposure  
Avison Young  
Bida Manda  
Capital Area Transit Authority  
Carolina Ballet  
CBRE  
Citrix Systems  
City of Raleigh: Planning &  
Development;  
Urban Design Center; Parks and  
Recreation;  
Public Works; Office of  
Sustainability; Office of  
Transportation and Planning  
Colliers International  
Downtown Living Advocates  
Downtown Raleigh Alliance  
Stakeholder Survey, December 2011  
Ground floor inventory 2011, 2012  
Greater Raleigh Chamber of Commerce  
Greater Raleigh Convention and  
Visitors Bureau  
HQ Raleigh  
Integrated Postsecondary Education  
Data System  
JDavis Architects  
Karnes  
Carla Laird  
Hallie Mittleman  
Ipreo  
News & Observer  
North Carolina Symphony  
O’Brien/Atkins Associates  
Raleigh Convention Center  
Raleigh Historic District Commission  
Raleigh-Durham Airport Authority  
Paul Reimel  
Smith Travel Research  
Jim Stella  
Triangle Business Journal  
Triangle Glides  
U.S. Bureau of Labor Statistics,  
LED OnTheMap  
U.S. Census Bureau  
Visual Art Exchange  
Wake County: GIS, Revenue  
Department

*Graphic Design: Stacey Simeone*

*For errata visit: [www.YouRHere.com](http://www.YouRHere.com)*



## DRA MISSION

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The Downtown Raleigh Alliance is an award-winning nonprofit organization whose mission is to continue the revitalization of Raleigh's downtown by enhancing its quality of life and contributing to its economic success. On a day-to-day basis, DRA provides five core services designed to support its primary stakeholders (property owners, government officials, business owners):

1. Safety, Hospitality + Clean Ambassadors
2. Strategic Branding + Community Communications
3. Special Events Production + City Plaza Programming
4. Retail Attraction + Merchant Promotions
5. Strategic Partnerships + Stakeholder Engagement



PRODUCED BY:



DowntownRaleigh  
Alliance

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