

DOWNTOWN RALEIGH

ECONOMIC DEVELOPMENT STRATEGY

Review of analysis for downtown retail strategy and activating Fayetteville Street
October 24, 2023



DowntownRaleigh
Alliance

In partnership with
the City of Raleigh

INTERFACE STUDIO

**NINIGRET PARTNERS
& ACCESS**



Downtown Raleigh Alliance and the City of Raleigh are developing an **economic development strategy** that aims to position Downtown Raleigh for the future, particularly as we emerge from the last three years.

Areas of focus

A
RETAIL
STRATEGY

for downtown with a focus on activating the Fayetteville Street corridor

Strategic positioning of the

DOWN TOWN OFFICE MARKET

Opportunities for supporting a thriving

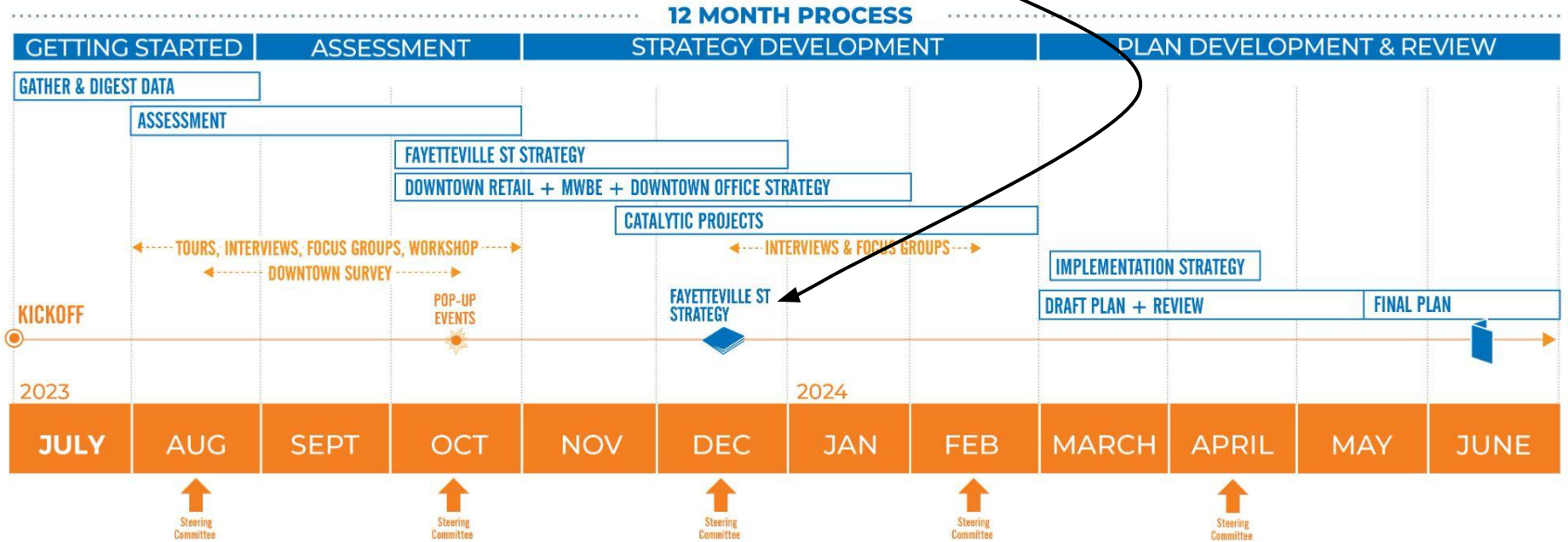
MINORITY- & WOMEN-OWNED BUSINESS COMMUNITY

CATALYTIC PROJECTS

to stimulate and grow Downtown Raleigh's economy

Process and Schedule

We will be shaping **preliminary ideas for Fayetteville Street** based upon our stakeholder engagement and initial assessment over the fall, however a more fully fleshed out strategy will be developed as the other components of the plan - office market and MWBE strategy - advance.



1

A downtown retail strategy with focus on activating Fayetteville Street





A downtown retail strategy with focus on activating Fayetteville Street

Key takeaways on retail:

- Downtown Raleigh commercial square footage has increased 21% since 2000, with a majority of it north and west of the core Fayetteville area.
- Downtown commercial space is both too big for the average small business and too small for larger-format entertainment. For smaller businesses, the challenge of excess space is compounded by high asking per square foot rents.
- Downtown Raleigh's share and count of Neighborhood Goods & Services tenants indicate its role as a neighborhood for residents, employees, and visitors alike.
- Food and Beverage and Tourism are prevalent uses across downtowns and contribute to a greater share of the Fayetteville area businesses compared to a predominant General Merchandise use mix in North Hills and the Village District.



A downtown retail strategy with focus on activating Fayetteville Street

Key takeaways on the physical environment of Fayetteville Street:

- The area around Fayetteville Street is isolated from the rapid growth of other Downtown areas such as Glenwood South, the Warehouse District, and Seaboard Station.
- Fayetteville is more than a single street; it is influenced by the districts around it and has different personalities.
- The street-level experience is critical but Fayetteville too often feels empty and lacks the vibrancy people expect of such an important corridor. We need a mix of uses and programs to attract people for different reasons.
- Safety is the bedrock for a vibrant downtown and many partners in the City are focused on it. The scope of this study is to identify retail and public space opportunities to determine the next steps for Downtown.

RETAIL

An amenity that molds and reinforces perceptions of Downtown

Regional and comparable positioning guides goals.

Robust business and customer data analysis defines demand.

Current and future physical conditions determine opportunities.

Businesses, placemaking, and supports sustain vibrant streetscapes long-term.

RETAIL CATEGORIES

Neighborhood Goods & Services (NG&S)



Key Characteristics:

- Stores that are dependent on workers, students, and residents within a one-mile radius and easy access
- Meet daily and weekly needs
- Grocery stores, hair and nail salons, florists, drugstores, bakeries, dry cleaners, etc.

Food & Beverage (F&B)



Key Characteristics:

- Food and/or alcohol are served
- Ability to attract customers from a greater distance but clustering of these establishments is critically important
- Restaurants, bars, cafes, coffee shops, ice cream shops, 'quick bite' establishments, etc.

General Merchandise (GAFO)



Key Characteristics:

- Very high competition in stores and online for a smaller amount of household spending
- Ability to attract customers from a far distance but also rely on foot traffic and anchor tenants
- Clothing stores, bookstores, antique shops, home goods, jewelry stores, electronic stores, etc.

ACTIVE USE CATEGORIES

Civic



Key Characteristics:

- Daily, weekly, or monthly trips
- Educational, community, religious, and social organizations

Tourism



Key Characteristics:

- Attractions for residents and visitors
- Features historic sites, museums, parks, accommodations, and recreational venues which serve as magnets for retail activation

Services (NRS)



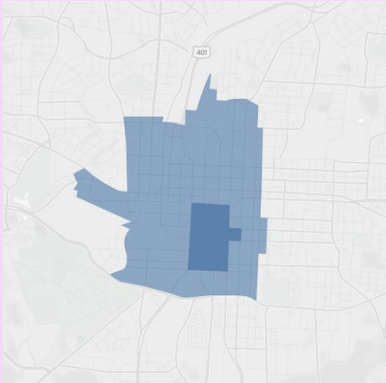
Key Characteristics:

- Required services with limited trip generation
- Medical and dental offices, and a range of services from legal to photography and banking

COMPARABLE DOWNTOWNS + MAIN STREETS

NORTH CAROLINA COMPS

RALEIGH

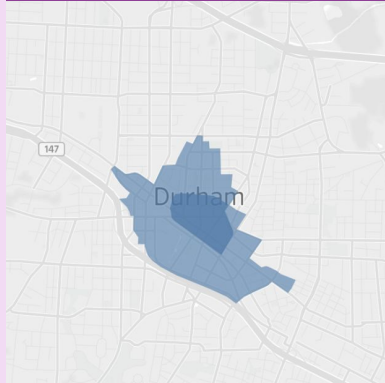


Size: 1.8 sq. mi.
Pop. Density: 7.6K
Job Density: 14.2K
Activation Density: 21.8K
WalkScore: 70

MAIN STREET

Size: 0.16 sq. mi.
Pop. Density: 10K
Job Density: 80.2K
Activation Density: 90.2K

DURHAM

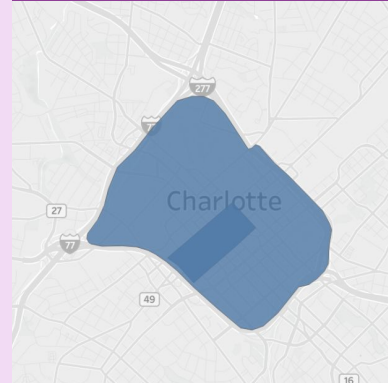


Size: 0.7 sq. mi.
Pop. Density: 5.6K
Job Density: 18K
Activation Density: 23.7K
WalkScore: 94

MAIN STREET

Size: 0.13 sq. mi.
Pop. Density: 3.1K
Job Density: 38.1K
Activation Density: 41.3K

CHARLOTTE



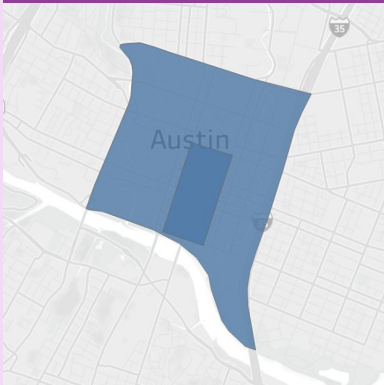
Size: 2.0 sq. mi.
Pop. Density: 8K
Job Density: 41K
Activation Density: 49.1K
WalkScore: 94

MAIN STREET

Size: 0.19 sq. mi.
Pop. Density: 6.9K
Job Density: 266.8K
Activation Density: 273.7K

NATIONAL COMPS

AUSTIN

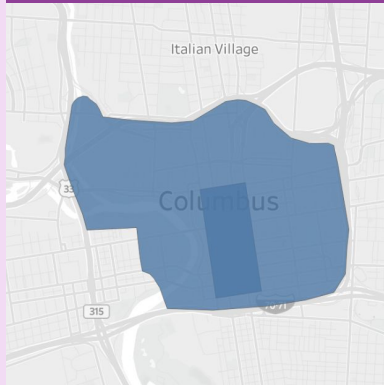


Size: 1.8 sq. mi.
Pop. Density: 8.1K
Job Density: 45.7K
Activation Density: 53.8K
WalkScore: 92

MAIN STREET

Size: 0.21 sq. mi.
Pop. Density: 7.8K
Job Density: 185.6K
Activation Density: 193.4K

COLUMBUS

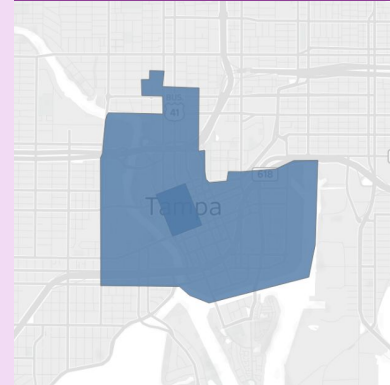


Size: 2.3 sq. mi.
Pop. Density: 4.4K
Job Density: 25.7K
Activation Density: 30.1
WalkScore: 82

MAIN STREET

Size: 0.27 sq. mi.
Pop. Density: 11K
Job Density: 54K
Activation Density: 65K

TAMPA



Size: 1.8 sq. mi.
Pop. Density: 7.8K
Job Density: 18.6K
Activation Density: 24.4K
WalkScore: 86

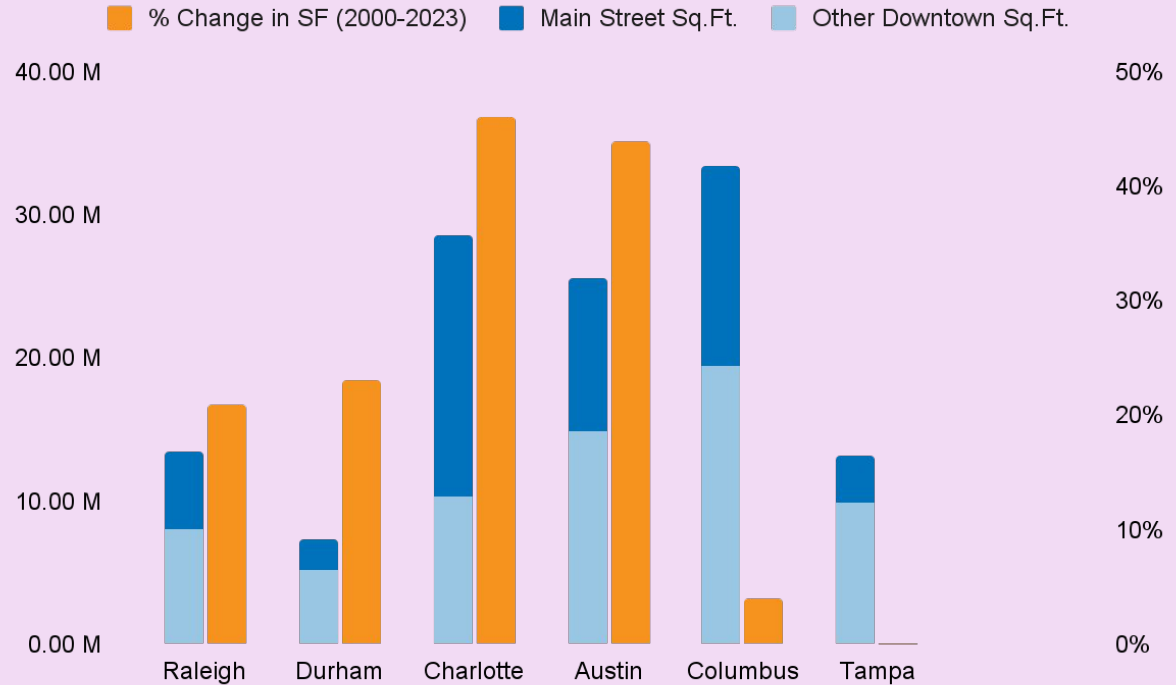
MAIN STREET

Size: 0.1 sq. mi.
Pop. Density: 15.8K
Job Density: 31.1K
Activation Density: 46.9K

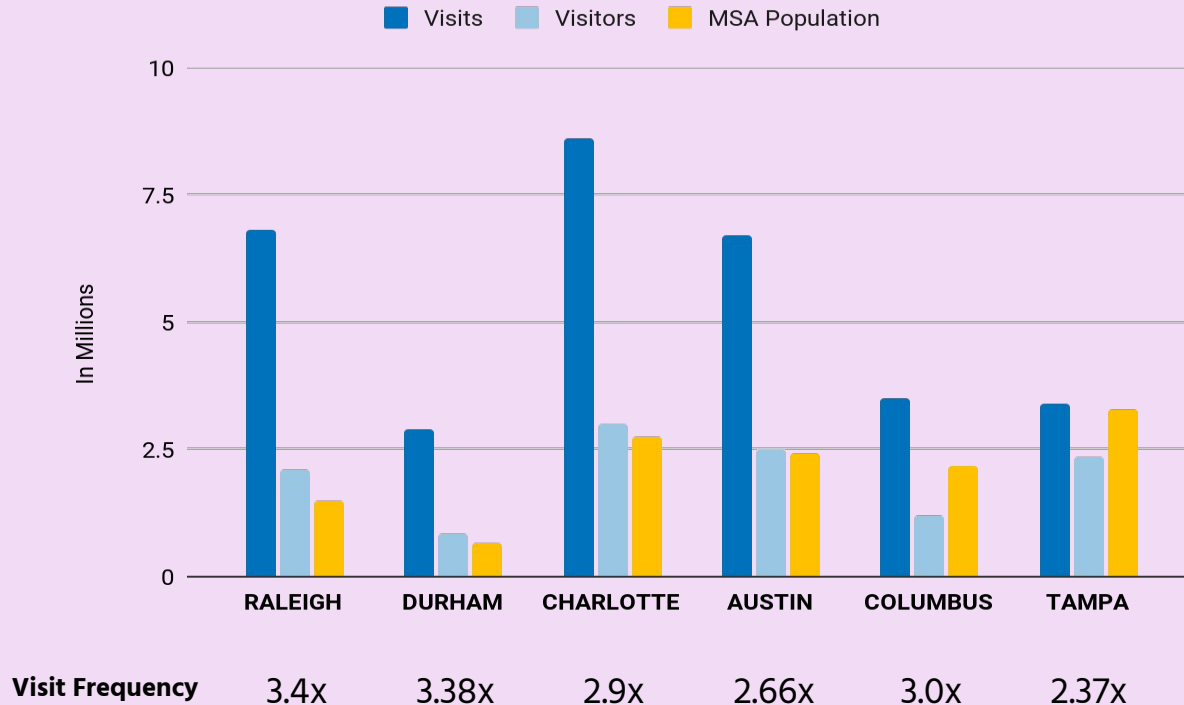
DOWNTOWN COMMERCIAL REAL ESTATE

Downtown Raleigh has less square footage than most comparable downtowns but has seen an increase of over 21% since 2000.

Majority (60% or 8.1 mil.) of that square footage lies outside of the Main Street (Fayetteville Street+ boundary).



MAIN STREET VISITORSHIP

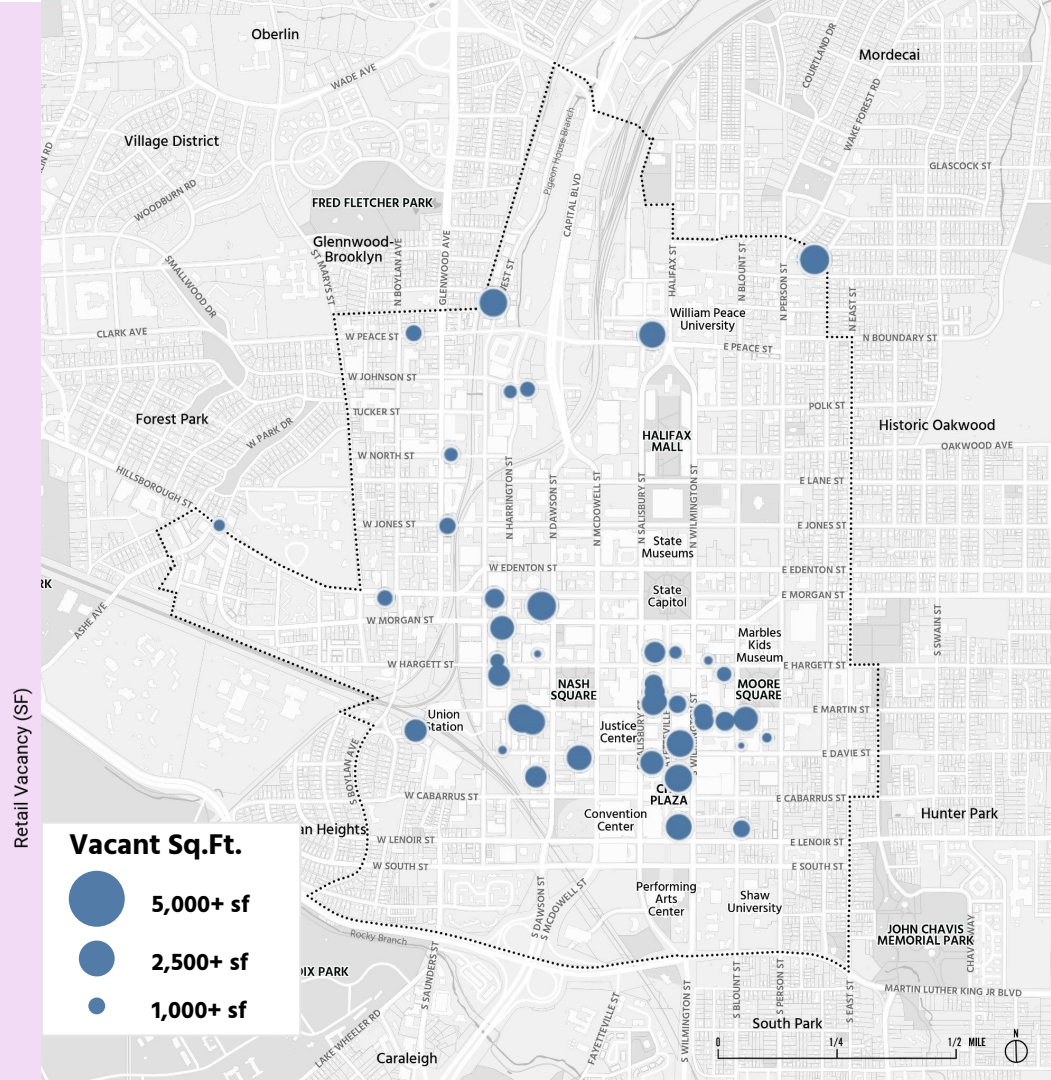
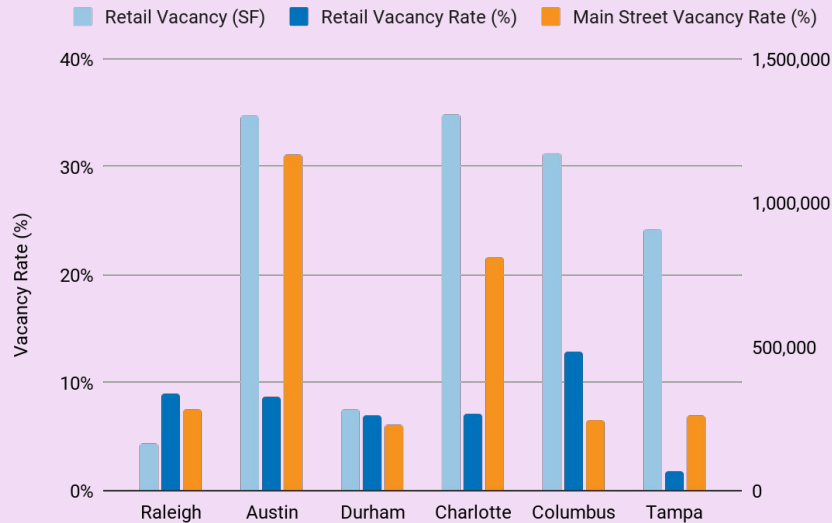


Despite more limited commercial real estate and growth than other comparable districts, Raleigh's Main Street **(Fayetteville Street Plus)** attracts **6.8 mil. visits**, the greatest multiple of MSA residents and visit frequency.

Note, Fayetteville Street Plus includes the convention center (0.9 mil. visitors), unlike Austin's Main Street where the convention center (1 mil. visitors) is a few blocks away.

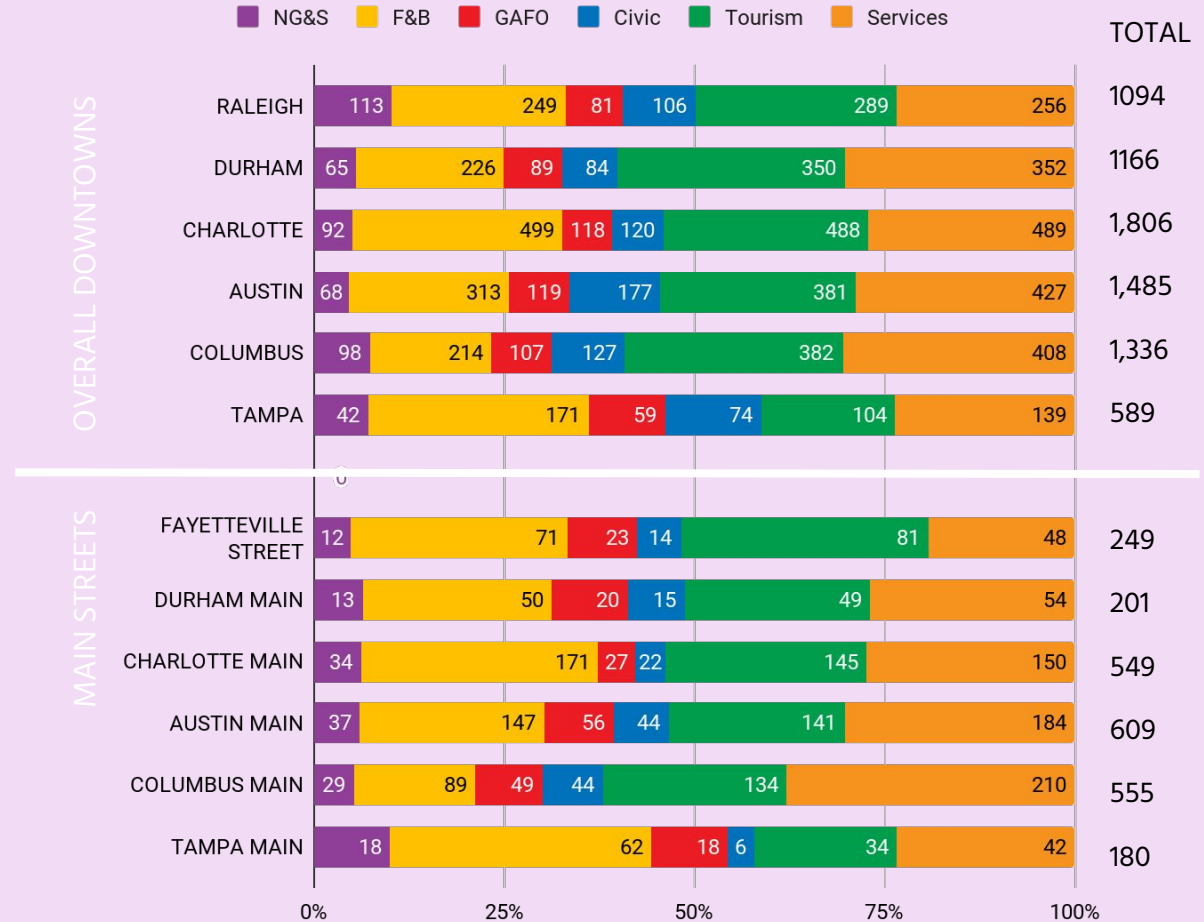
DOWNTOWN VACANCY DATA

Vacant storefronts are clustered in the Fayetteville Street + and Warehouse Districts. Few vacant large spaces exist.



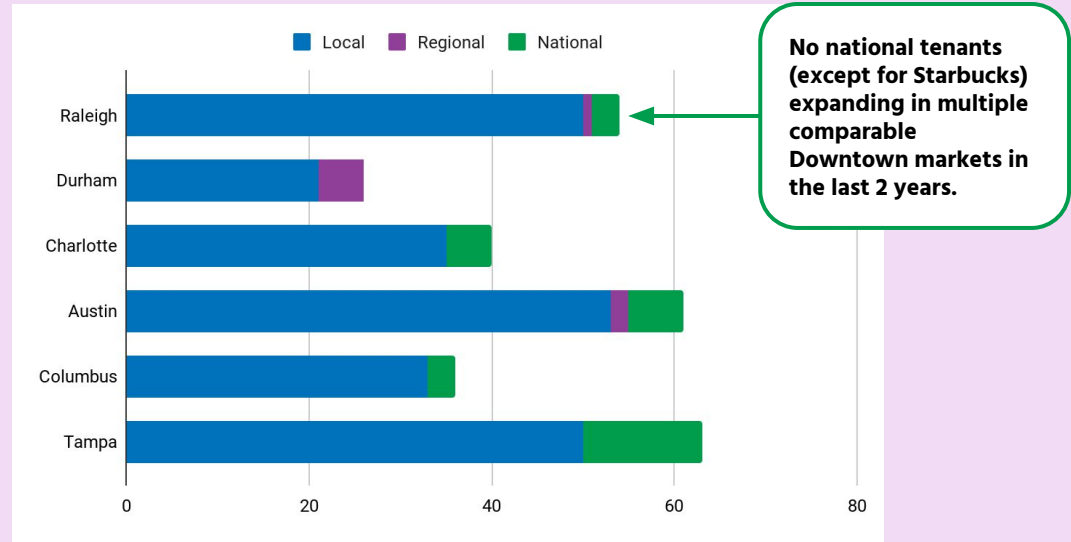
COMPARABLE DOWNTOWN INVENTORY

Downtown Raleigh has the largest share and count of NG&S tenants downtown, indicating its role as a neighborhood for residents, employees, and visitors alike.



COMP RETAIL INVENTORY

Local Food and Beverage brands drive downtown leasing activity. In Raleigh, GAFO lease count exceed other downtowns, a challenging strategy for current retail trends.



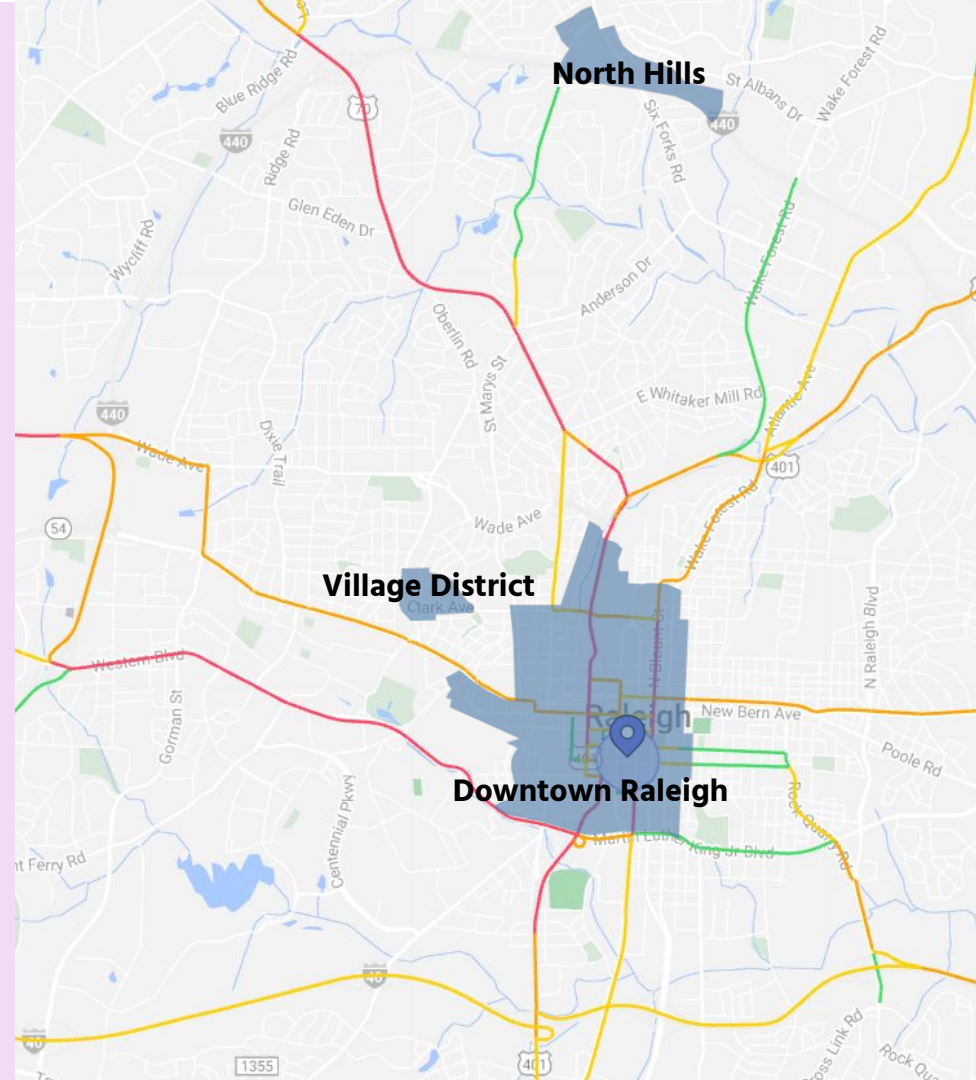
	Raleigh	Durham	Charlotte	Austin	Columbus	Tampa
NG&S	8	1	6	7	4	15
F&B	30	21	24	41	22	35
GAFO	13	3	2	10	5	4
Entertainment/Fitness	3	1	8	3	5	9

DOWNTOWN RALEIGH COMPETITION

COMPETITION

Primary competitors are lifestyle centers that offer pedestrian friendly, new urbanist environments with curated tenants and a public realm managed by a single owner.

In order to travel into Downtown Raleigh from other areas of the triangle, visitors must pass through other competitors.





FAYETTEVILLE STREET +

Size: 0.16 sq. mi.

Pop. Density: 10K

Job Density: 80.2K

Activation Density: 90.2K

WalkScore: 95



VILLAGE DISTRICT

Size: 0.1 sq. mi.

Pop. Density: 4.3K

Job Density: 16.7K

Activation Density: 21.1K

WalkScore: 94



NORTH HILLS

Size: 0.24 sq. mi.

Pop. Density: 7.7K

Job Density: 25.8K

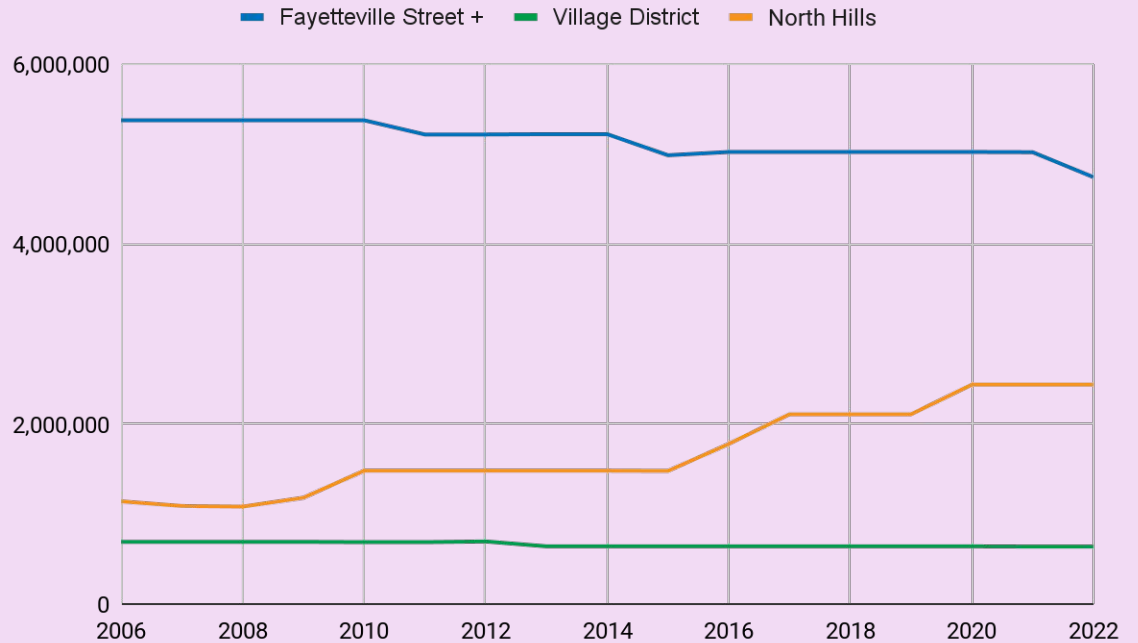
Activation Density: 33.5K

WalkScore: 77

TOTAL COMMERCIAL SQUARE FOOTAGE

The ability for Fayetteville Street + to remain competitive is rooted in an ability to maintain a vibrant, occupied commercial and multifamily environment.

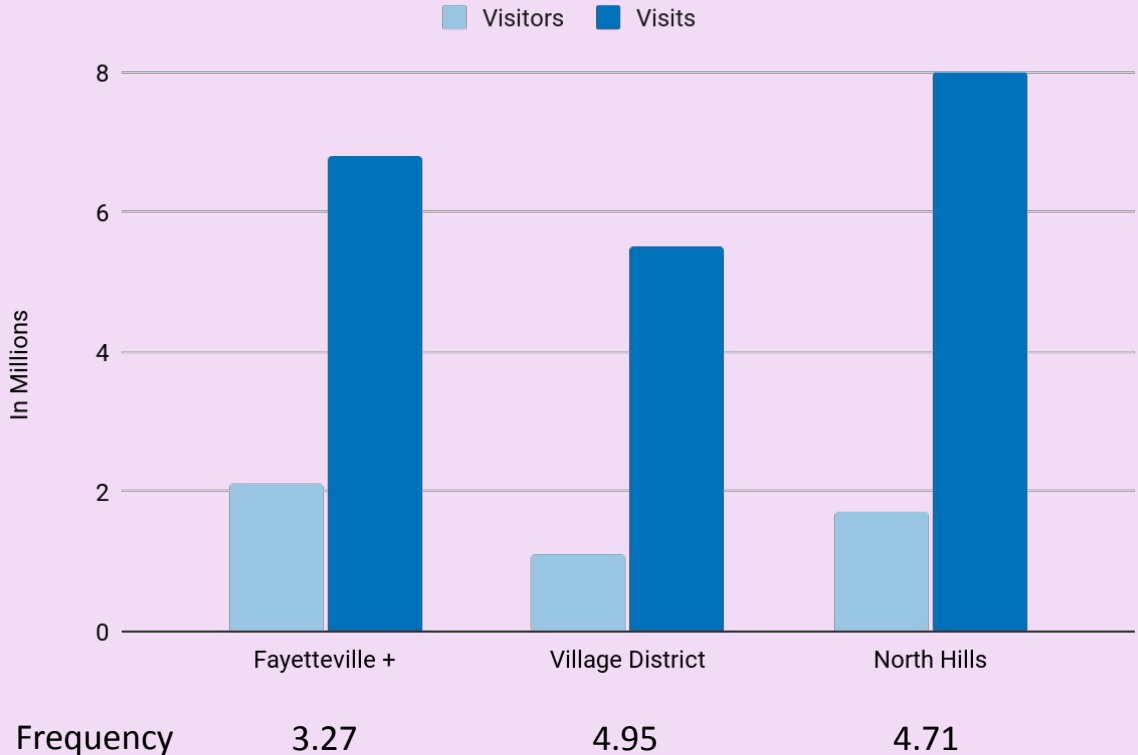
Over the past 17 years, commercial square footage in the Fayetteville Street + decreased by 67,000 square feet (3.9%) while, North Hills grew and the Village District stayed consistent.



ANNUAL VISITORS AT COMPETING NODES

Fayetteville Street has more visitors than competing nodes, aided by range of uses, such as the convention center, workplaces, and governmental departments, that attract residents and visitors to Downtown Raleigh.

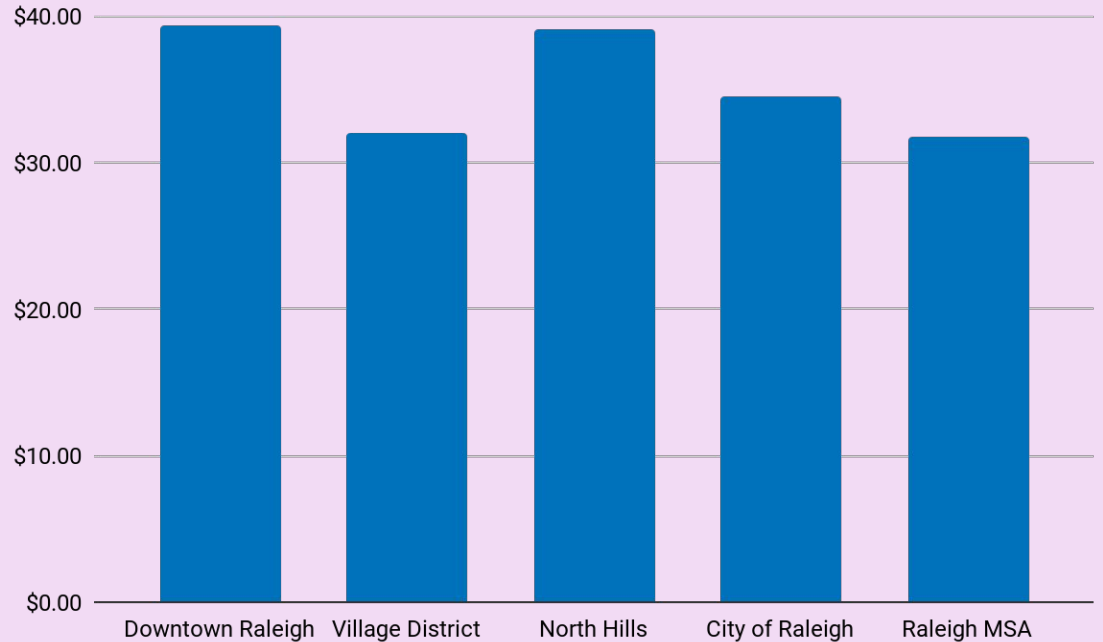
Although fewer visitors to North Hills, there are more repeat visits by regional residents than a more geographically disparate customer to Fayetteville Street.



RETAIL RENT RATES

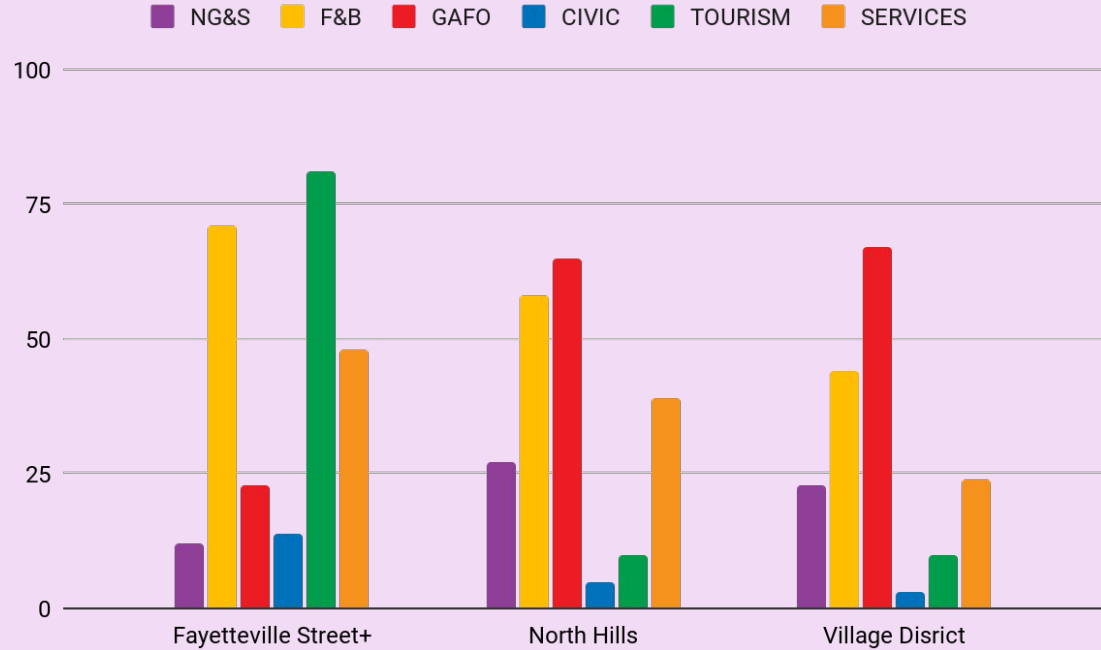
When comparing asking rent rates, Downtown Raleigh has the highest all compared, including in the Village District and North Hills.

Affordable rents for storefront businesses in the Fayetteville Street Plus core is in the mid-\$20s.



TENANT MIX AT COMPETING SHOPPING CENTERS

North Hills and the Village District includes a predominant General Merchandise (GAFO) use mix, where Food and Beverage (F&B) and Tourism uses contribute to a greater share of the Fayetteville Street composition.



What businesses are saying about Fayetteville Street and downtown

Real Estate

93% Rent

23% Lease End in 2023 or 2024; 66% plan to renew

81% optimistic about remaining open in next 5 years

61% concerned about affordability

Support Programs

45% feel received adequate support

43% participated in training programs, preference for 1-on-1

72% would consider support services - marketing, storefront, and staff attraction

Opportunities

Free parking

More "Good" Press - 51% of businesses marketing efforts result in increased sales

Relocating large events from street

Limit fees

**TO ALIGN WITH THIS REALITY, HOW SHOULD DOWNTOWN
THINK ABOUT ITS TENANT ATTRACTION STRATEGY?**

SEEK EXPANSION OPPORTUNITIES FOR BELOVED TENANTS?

SINGLE LOCATION

TOP 10:

(Name | distance | visitors | % of Fayetteville St visitors)

1. Sushi 9 | 2.9 mi. | 95,796 | 5%
2. Angus Barn | 11 mi. | 95,089 | 5%
3. Mi Cancun | 13.7 mi. | 85,181 | 4.4%
4. Sola Coffee Cafe | 7.7 mi | 64,1418 | 3.4%
5. Carolina Beauty | 4.5 mi. | 63,493 | 3.3%
6. Amedeo's Italian | 2.9 mi. | 59,740 | 3.1%
7. Goodberry's | 8.1 mi. | 58,561 | 3.1%
8. Jasmin | 6.1% | 57,949 | 3%
9. Oceanic | 119.1 mi. | 57,871 | 3%
10. MacGregor | 9.3 MI | 57,432 | 3%



Carolina Beauty Hair & Wigs



MULTIPLE LOCATIONS



ATTRACT THOSE ACTIVELY EXPANDING?

Durham Tenants with Leasing Activity



Activating Fayetteville

Fayetteville has always been central to Raleigh but we need to think of it as more than a single street.

The experience at street level is essential.

Public spaces and programming are critical to a connected and lively downtown.

Businesses, placemaking, and supports sustain vibrant streetscapes long-term.

Fayetteville Street has always been central to Raleigh







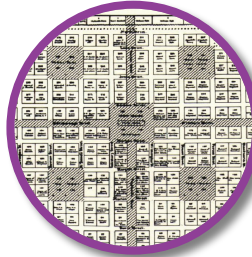
shoe secrets

shoe secrets

C.G. & N.G.
CAFE/RESTAURANT

Timeline of Fayetteville Street

In the **William Christmas Plan** for Raleigh, Fayetteville Street is **identified as one of four main thoroughfares**.



Credit: William Christmas Plan from "The 2030 Comprehensive Plan for the City of Raleigh"

1792



Credit: State Archives of North Carolina

1977

Fayetteville Street is closed to cars to accommodate plans to transform the space into a **pedestrian mall**.

The closure of Fayetteville Street to vehicular traffic results in a **negative impact on the commercial vibrancy** of the corridor, and many businesses closed.

2003

The **Livable Streets Plan** calls for the **restoration of vehicular traffic** and the **re-establishment of the Capitol vista** on Fayetteville Street.



Credit: Liveable Streets - Downtown Raleigh Plan

2006

Fayetteville Street **reopens to cars**, and the Convention Center is relocated to **restore the vista from the Capitol to the Performing Arts Center**.



Credit: Bill Dickinson

With such a focus on Fayetteville, it tends to represent Downtown as a whole but:

"DOWNTOWN IS A LOT MORE THAN FAYETTEVILLE STREET."

What people are saying about Fayetteville Street and downtown

What do you like about Fayetteville Street?

It's a "real city", walkable, good restaurants, outdoor dining, proximity and centrality, festivals and events

What do you dislike about Fayetteville Street?

Feels empty and unsafe, needs more greenery and art, feels corporate and could use a mix of uses besides office

What activities or programs would you attend?

Outdoor performances, outdoor dining, street closures for events

What amenities would you like to see?

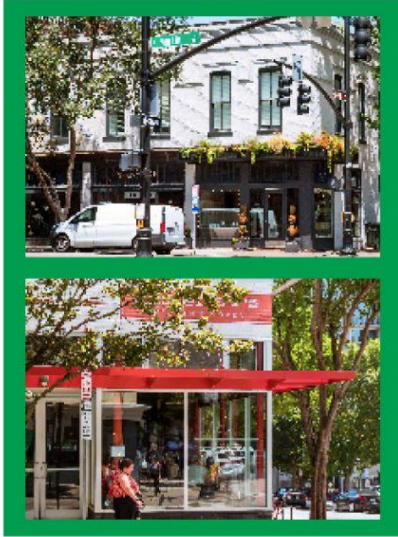
Beautification, aesthetic lighting, flowers, trees, outdoor seating and dining

What people are saying about Fayetteville Street and downtown

Percent rating Downtown “good” or “excellent” as:

- | | |
|---|--------------------|
| <ul style="list-style-type: none">● A place to dine out (76%) | DOING VERY WELL |
| <ul style="list-style-type: none">● A safe place during daytime hours (73%) | |
| <hr/> | |
| <ul style="list-style-type: none">● As a place to enjoy the arts (69%)● As a place for live music (65%)● As a place with high quality parks and public spaces (64%)● As a place to enjoy nightlife (62%)● An overall clean place (61%)● As a place to work (60%) | DOING WELL OVERALL |
| <hr/> | |
| <ul style="list-style-type: none">● As a place to live (54%)● A safe place during nighttime hours (49%)● As a place to shop (40%) | COULD BE IMPROVED |

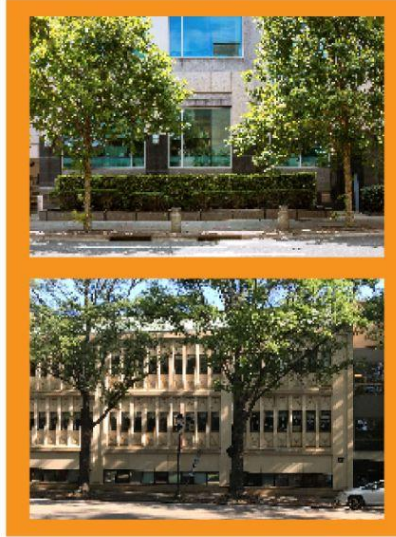
Active frontages affect the walkability Downtown



ACTIVE

Includes:

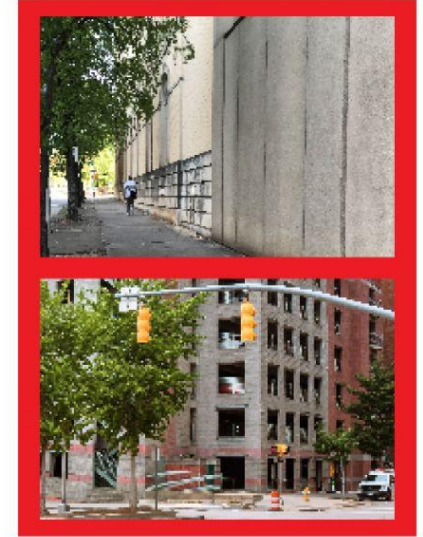
- > Street-level frontage
- > Transparent windows & doors
- > Short distances between entrances
- > High-quality and visible signage



SOMEWHAT INACTIVE

Includes:

- > Raised or sunken frontage
- > Buffer between use and street
- > Low transparency of windows & doors
- > Long distances between entrances



INACTIVE

Includes:

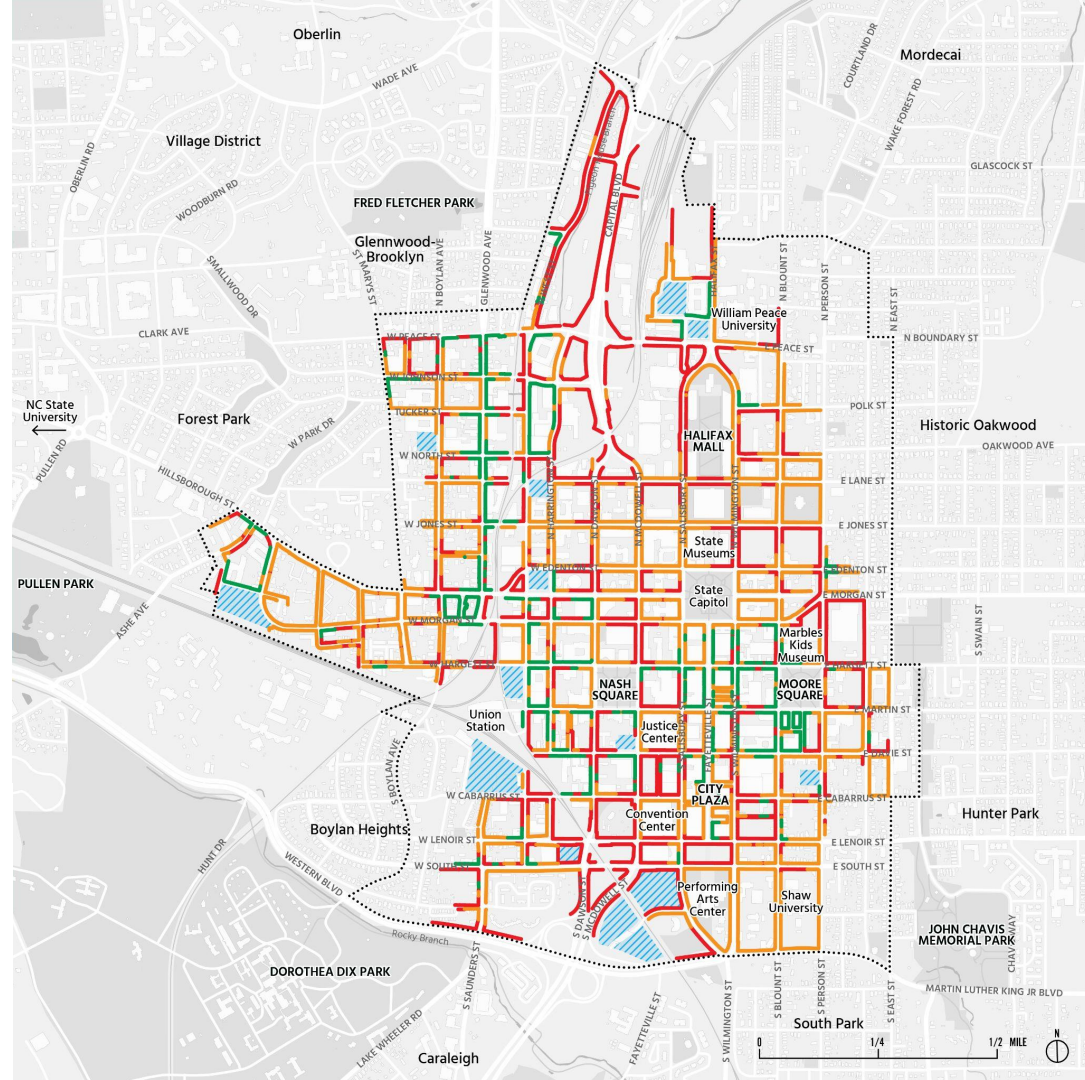
- > Parking garages & lots
- > Building loading areas
- > Blank, windowless walls
- > Vacant buildings & land

Some areas support seamless active connections between downtown districts

Street Activation

Interface Studio 2023

- Active
- Somewhat Inactive
- Inactive
- Under Construction

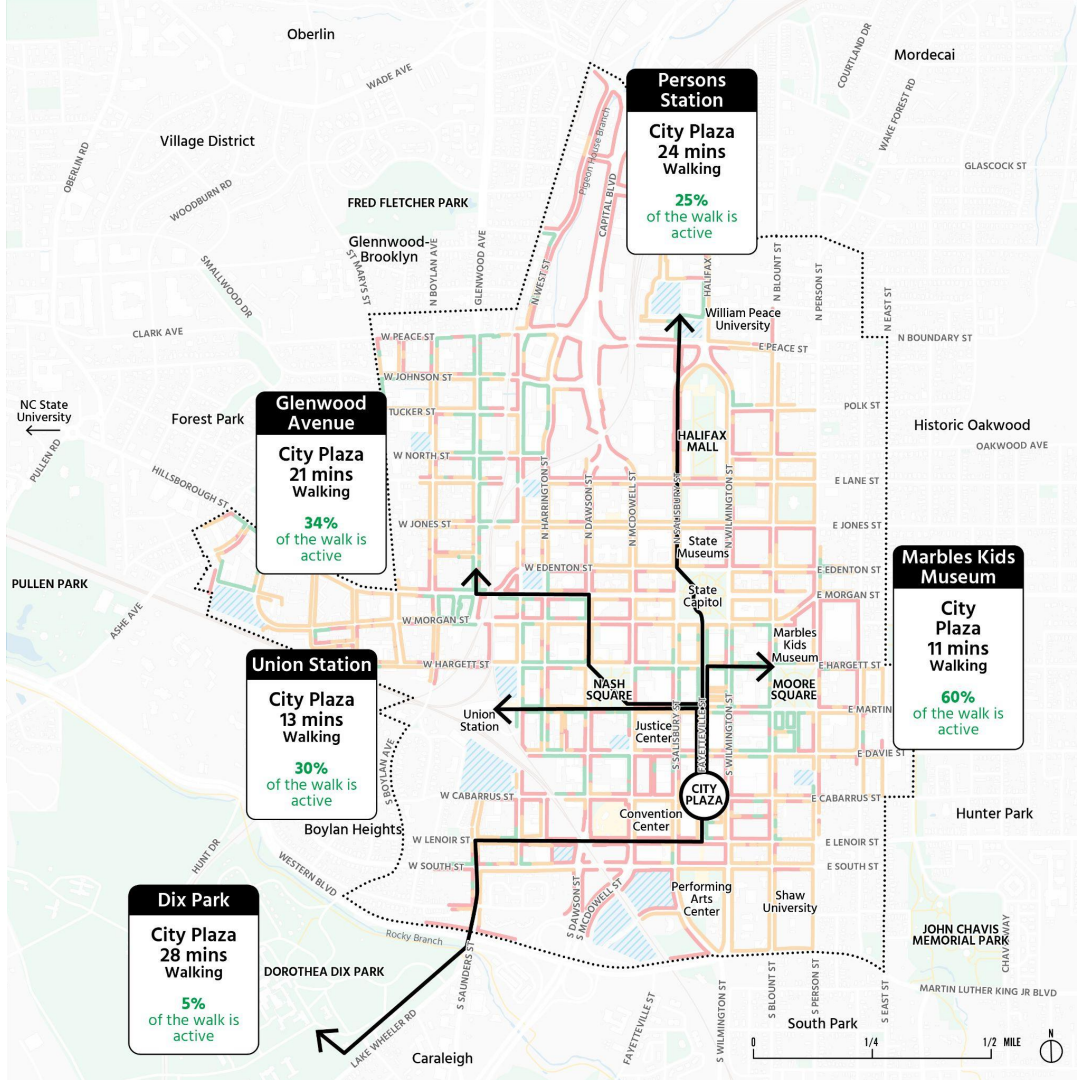


How a street feels matters,
 The less active a street
 frontage, the more likely
 someone will not walk from
 one location to another.

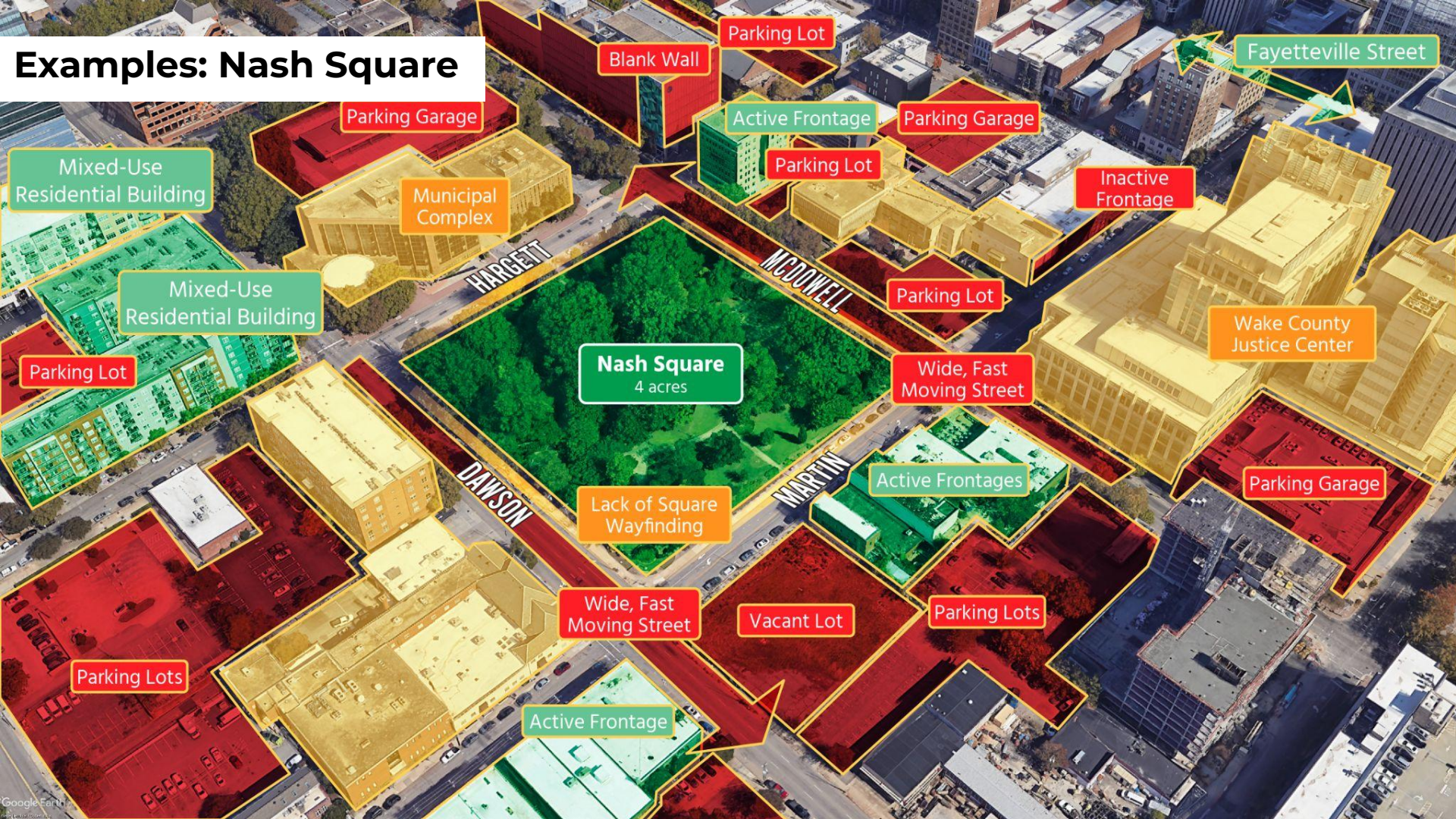
Street Activation

Interface Studio 2023

- Active
- Somewhat Inactive
- Inactive
- ▨ Under Construction



Examples: Nash Square



Mixed-Use Residential Building

Mixed-Use Residential Building

Parking Lot

Parking Garage

Municipal Complex

Blank Wall

Parking Lot

Active Frontage

Parking Garage

Parking Lot

Inactive Frontage

Fayetteville Street

Nash Square
4 acres

Wide, Fast Moving Street

Wake County Justice Center

Lack of Square Wayfinding

Active Frontages

Parking Garage

Wide, Fast Moving Street

Vacant Lot

Parking Lots

Parking Lots

Active Frontage

City Plaza



Blank Wall

Parking Lot

Lack of Wayfinding

Active Frontage

Unclear Entrance to City Plaza

Parking Lot

Parking Garage

Parking Garage

Residential Building

City Plaza
1.3 acres

Active Frontage

Unclear Entrance to City Plaza

Parking Lot

Lincoln Theatre

Parking Lot

Convention Center

Lack of Street Trees

Lack of Wayfinding

Unclear Entrance to City Plaza

Parking Lot



North Hills

No connection across I-440

I-440 and Six Forks Road

Contained development

Parking Lot

Mixed-Use Residential Buildings

Mixed-Use Residential Buildings

Parking Garage

Parking Lot

Midtown Park
0.9 acres

Lack of connection to residential neighborhood

Parking Garage

Parking Lot

Downtown Cary



Proximity to Residential Areas

Mixed-Use Residential Building

Parking Lot

Townhouses

Downtown Cary Park
7 acres

Parking Garage

Downtown Core

Cary Regional Library

Wide landscaped sidewalks connecting to Downtown Core

Cary Arts Center

Cary Elementary School

Old Library Park

Church & Preschool

Parking Lot

Parking Lot

Parking Lot

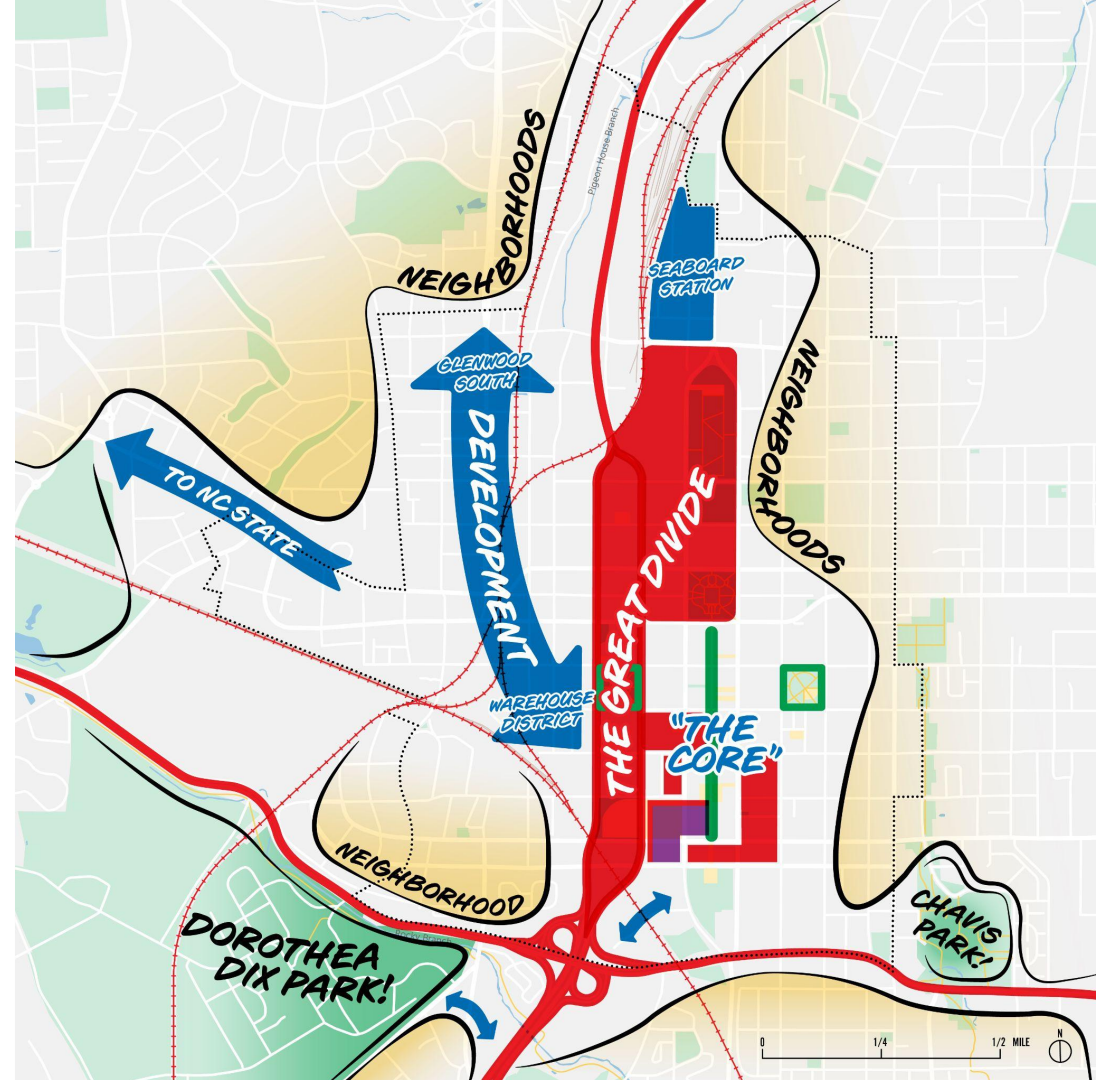
Parking Lot

Inactive street frontages, fast moving and large streets, rail lines and parking all conspire to isolate the core of Downtown from key areas of activity and growth

Diagramming Downtown

Interface Studio

-  Development
-  Convention Center Area
-  Barriers



With such a focus on Fayetteville, it tends to represent Downtown as a whole.

"DOWNTOWN IS A LOT MORE THAN FAYETTEVILLE STREET."

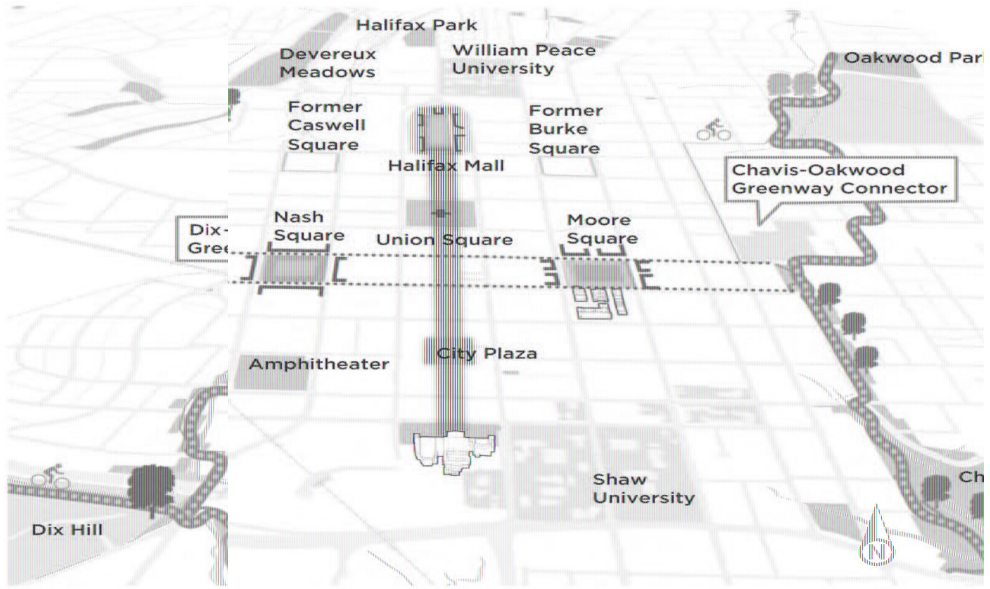
DOWNTOWN FRAMEWORK THEMES

BREATHE

A Greener Raleigh

Create public open spaces where people can pause and breathe, gather, and relax within the city.

Sometimes referred to as the "lungs" of a city, public open spaces, including urban parks, greenways, plazas, and squares, play a critical role in downtown. Some urban parks are quiet respites, offering a chance to pause, gather, and relax within the city. Other public spaces are more social and include spaces for gatherings, playing, and events. Together downtown's public open spaces form a green network that helps environmentally by cleaning air and absorbing stormwater. Public open spaces are urban necessities that attract people to live, work, and visit downtown. Greenways and green streets (streets that combine enhanced bicycle and pedestrian facilities with natural stormwater treatments) can connect downtown's open spaces. They support the cultural life of the city by providing spaces for public art installations as well as arts-related events. The goal of "Breathe" is to transform downtown Raleigh into a center for innovative and appealing public open spaces connecting the network, improving and activating existing spaces, and expanding access to underserved areas of downtown.



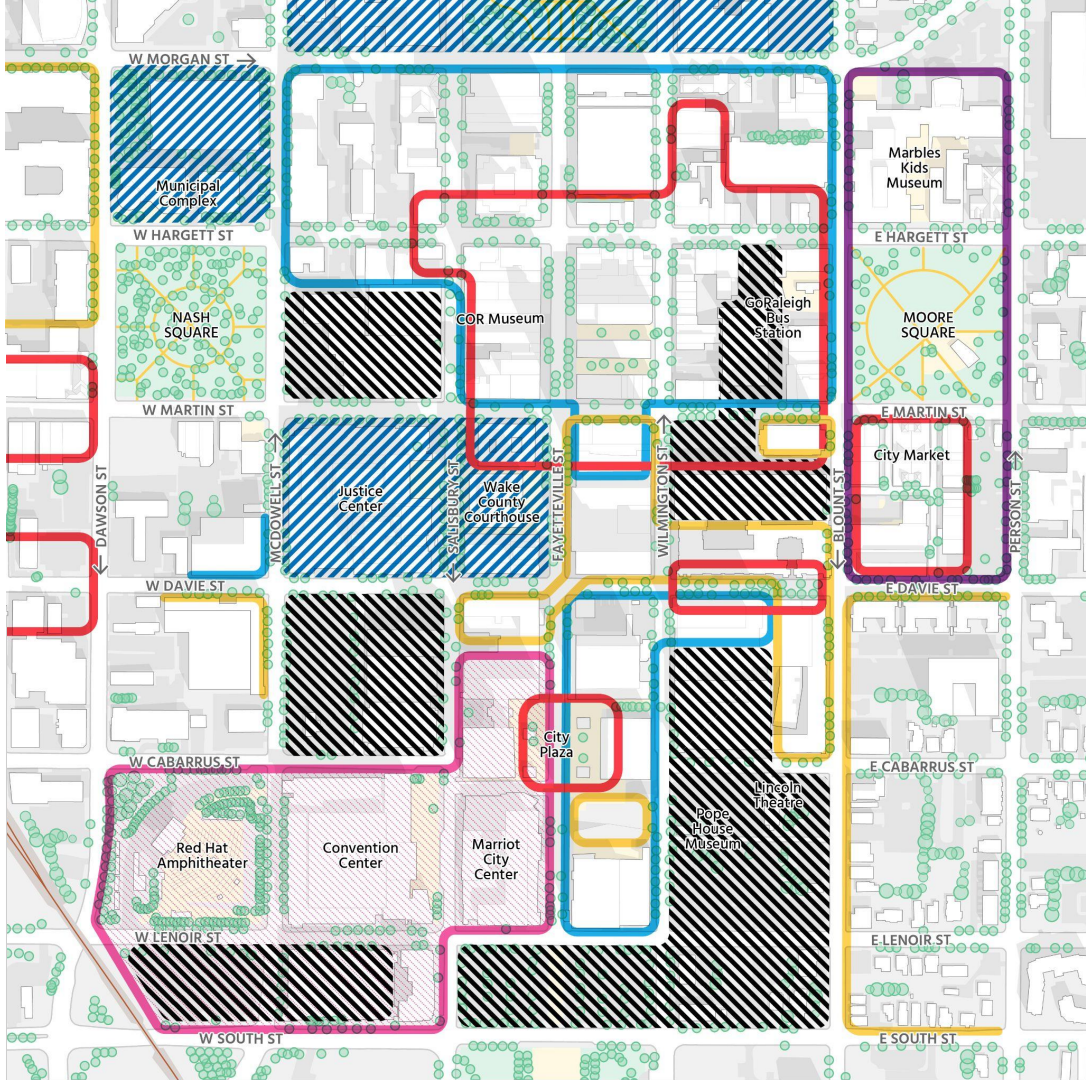
PUBLIC OPEN SPACE NETWORK

Fayetteville is less a corridor than it is a number of overlapping mini-districts

Diagramming Fayetteville St.

Interface Studio 2023

- Convention
- Destination
- Government
- Offices
- Parking
- Residential
- Retail



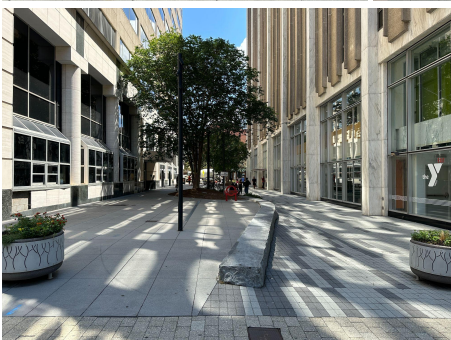
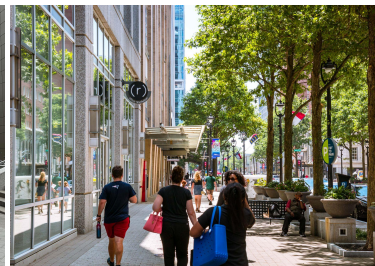
And then there is the look and feel on the ground



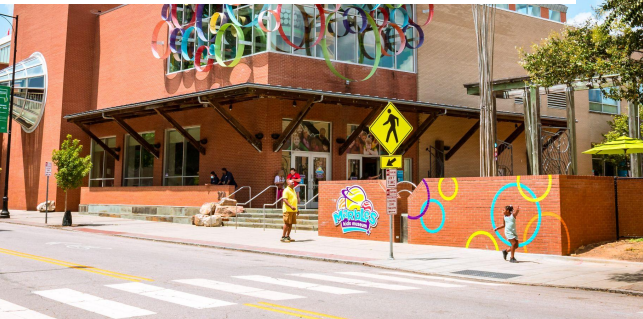
**"IT'S ALL CEMENT ON
FAYETTEVILLE"**



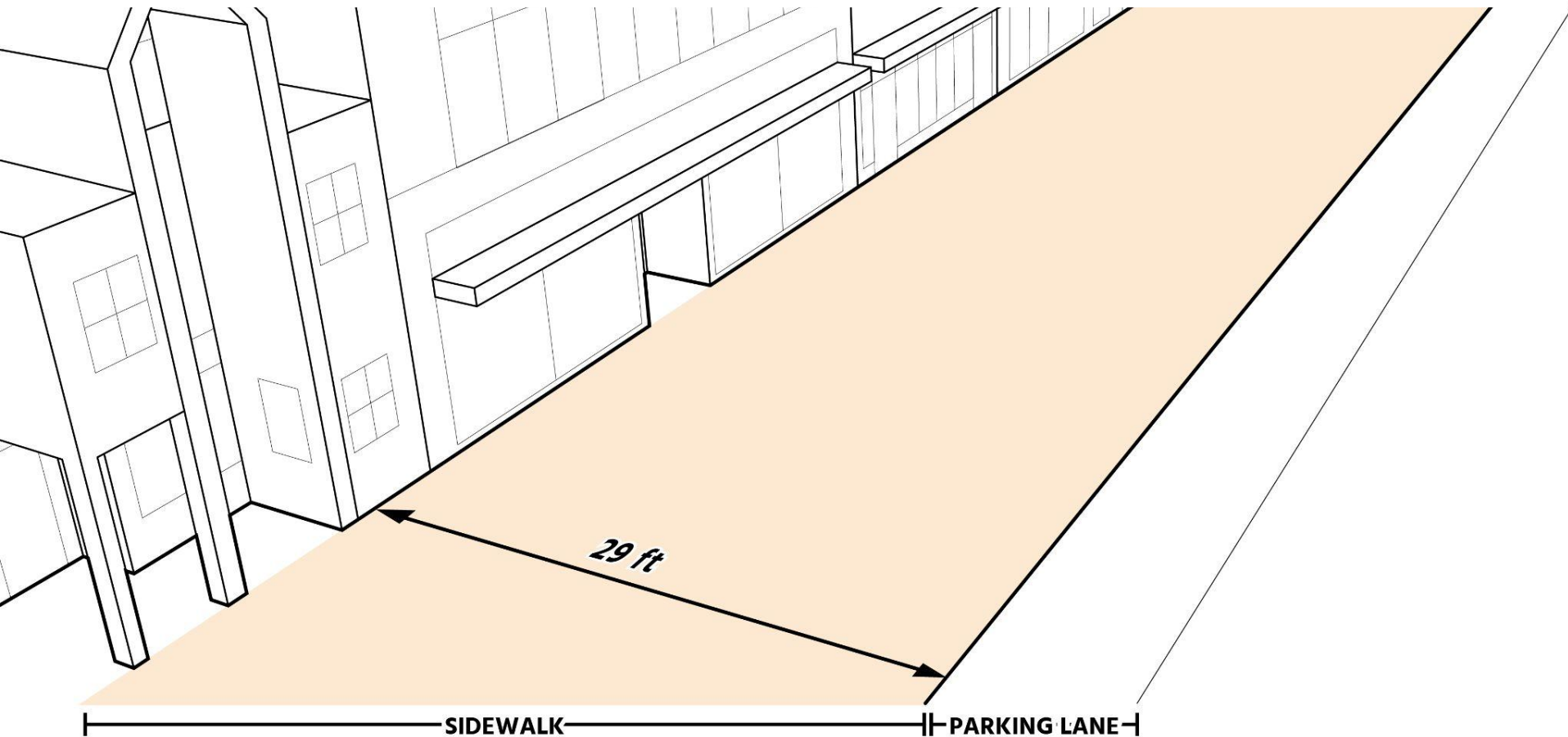
Fayetteville



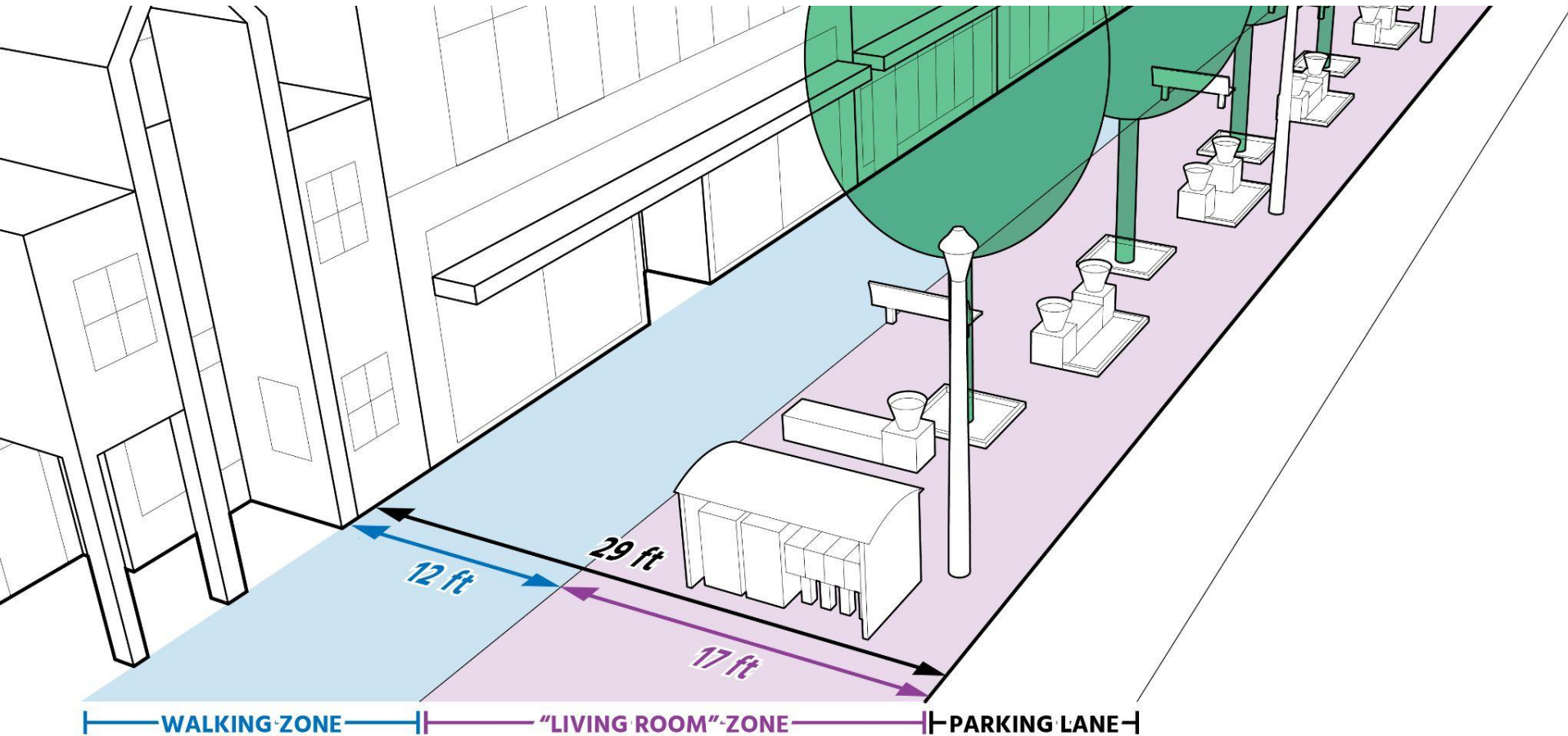
Not Fayetteville



"FAYETTEVILLE'S WIDE SIDEWALKS ARE WHAT SETS IT APART"



"FAYETTEVILLE'S WIDE SIDEWALKS ARE WHAT SETS IT APART"



City Plaza is a destination for concerts...true, but this is the view from our convention visitors



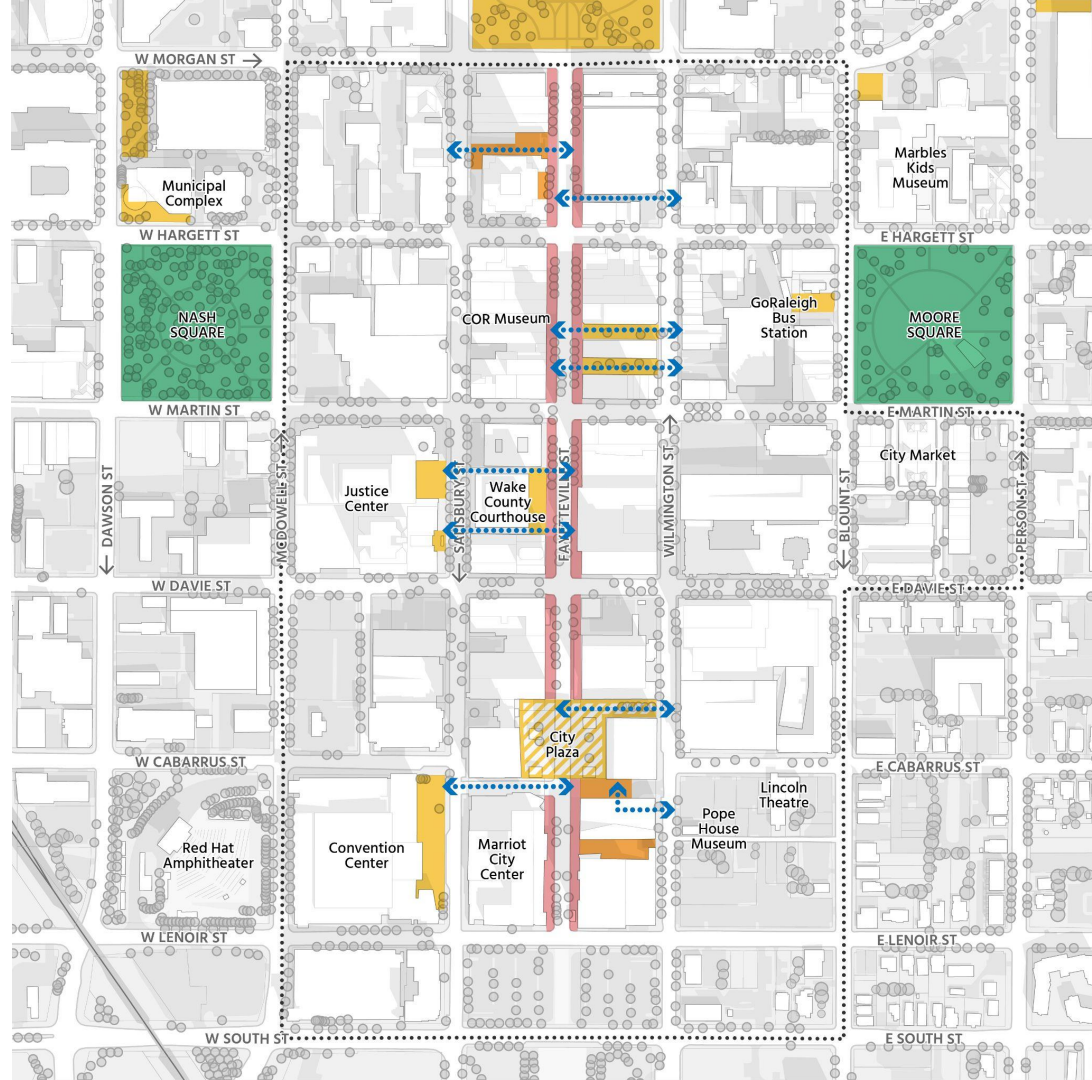
City Plaza is tucked away and relatively hidden from view

There are a lot of spaces to reconsider from public and private plazas, pedestrian cut-throughs and the sidewalk space along Fayetteville Street

Pedestrian Spaces

Interface Studio 2023

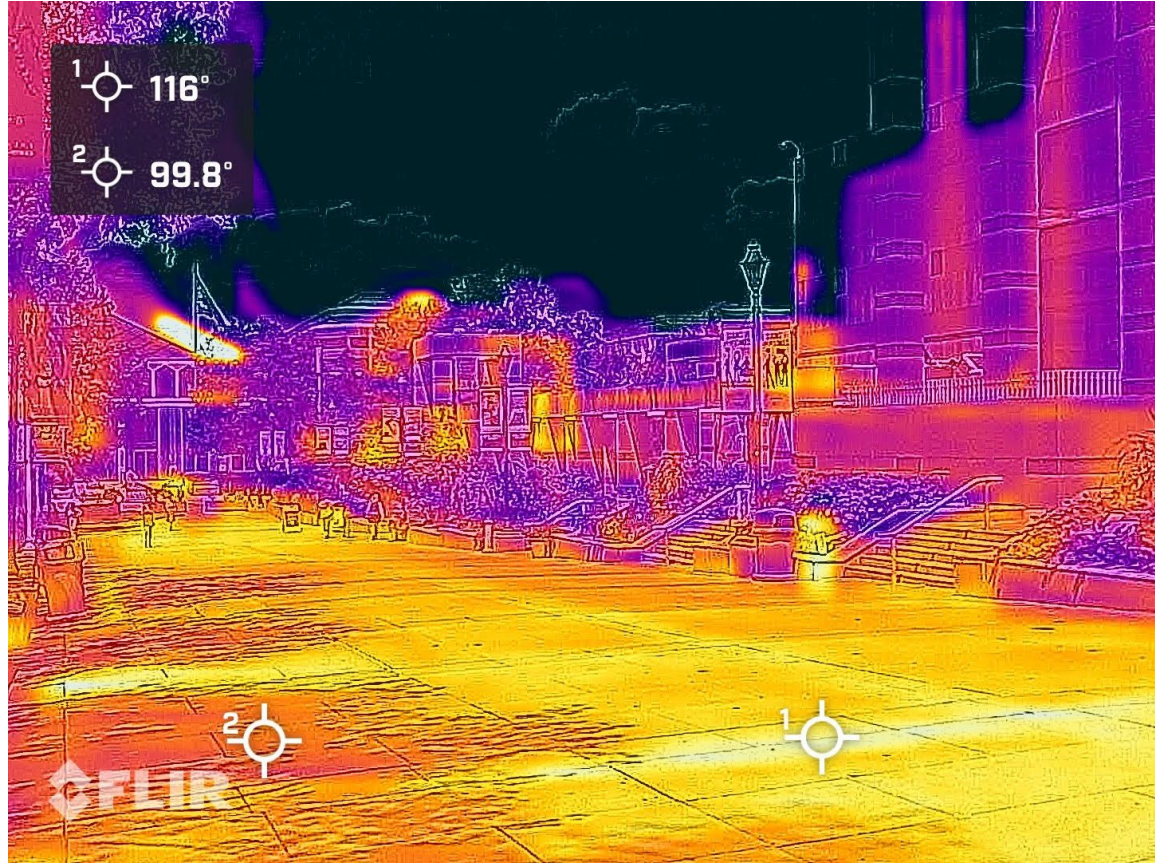
- Private Blah-zas
- Public Blah-zas
- Part-Time Blah-za
- Wide Sidewalks
- Traditional Downtown Squares
- Pedestrian Passageways

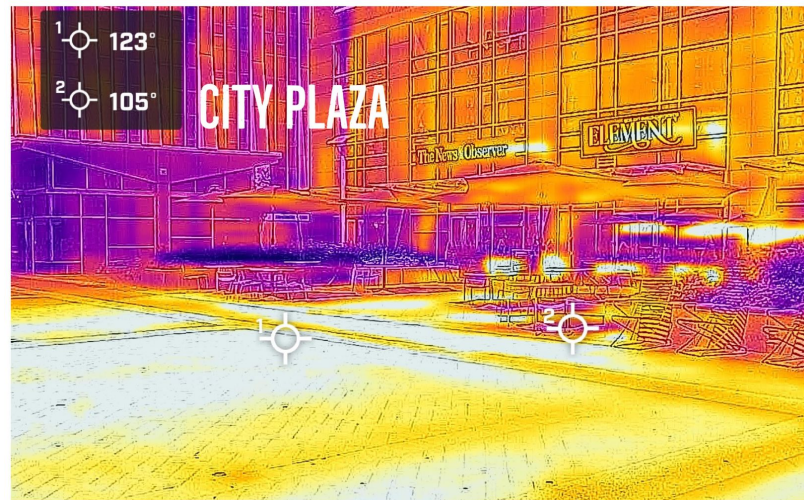
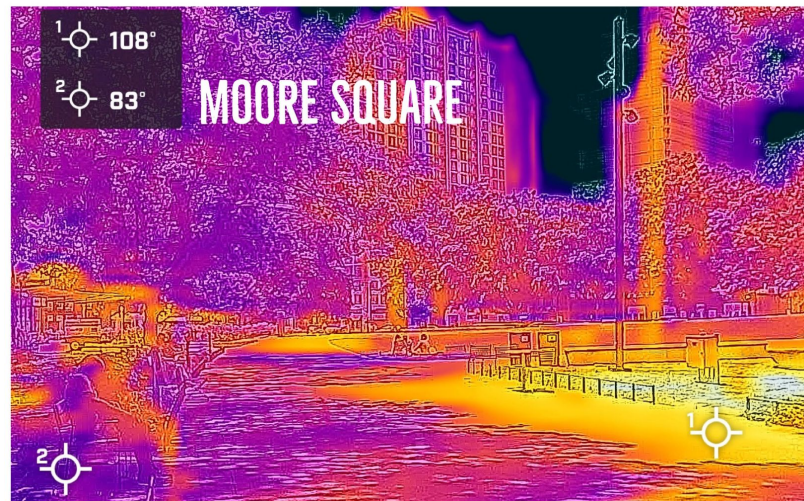


Let's focus on comfort



What are the surface temperatures on a **90F sunny day**?





In addition to streets, **public spaces and programming** are critical to creating a connected and lively downtown.

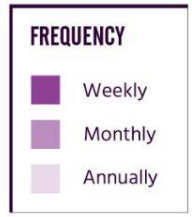
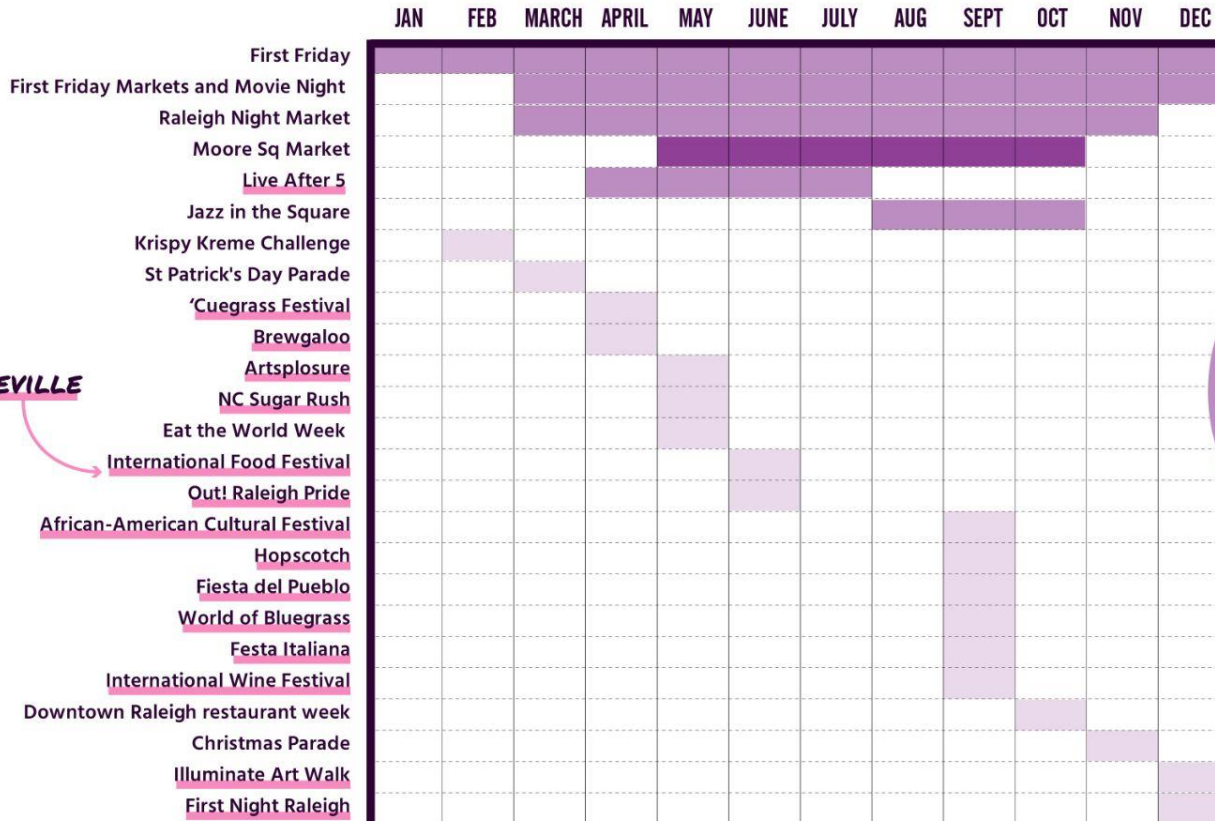


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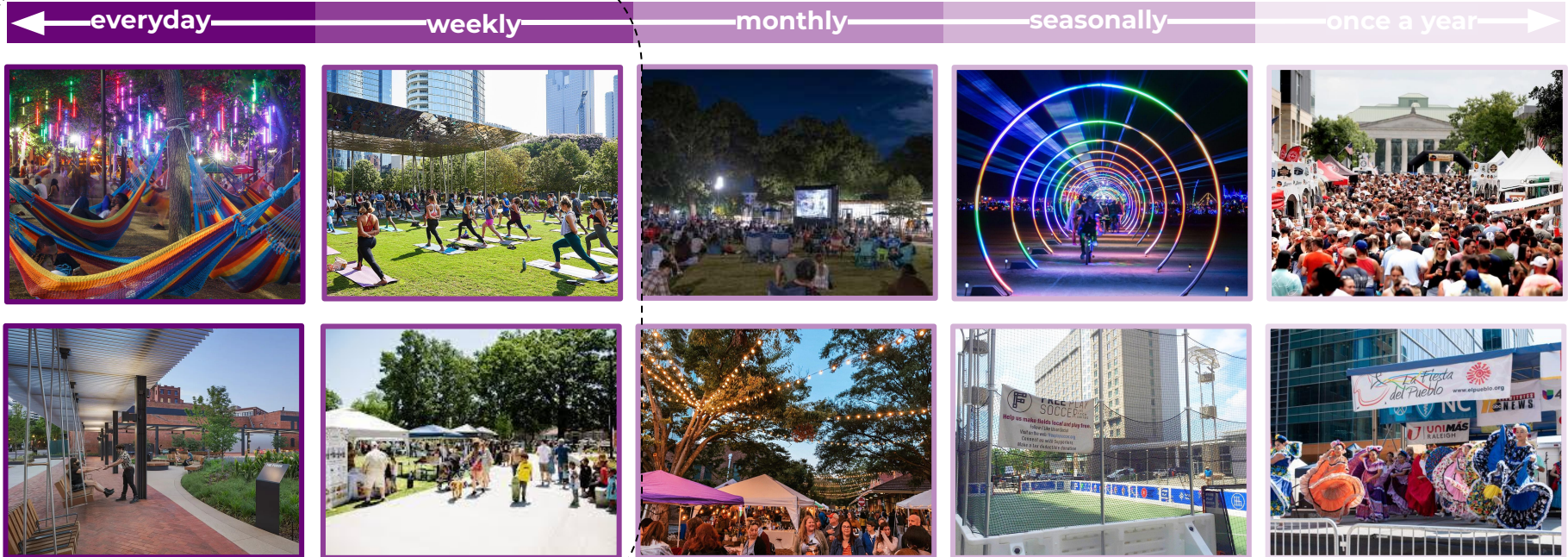


Raleigh does **large annual events** well

FAYETTEVILLE



But could use more regular programming at **different scales and frequencies** for a range of different audiences



Where do we go from here? Let's think BIG

LARGE-SCALE ART



Let's think BIG

LIGHTING



Let's think BIG

OUTDOOR DINING and LOUNGING in CITY PLAZA



Let's think BIG

OUTDOOR DINING



Let's think BIG

ABUNDANT TREE CANOPY AND LANDSCAPING



Let's think BIG

SEASONAL POP-UPS



Let's think BIG

PERFORMING ARTS / MUSEUMS OUTSIDE



Let's think BIG

MORE KID-FRIENDLY



Let's think BIG

MORE COLOR



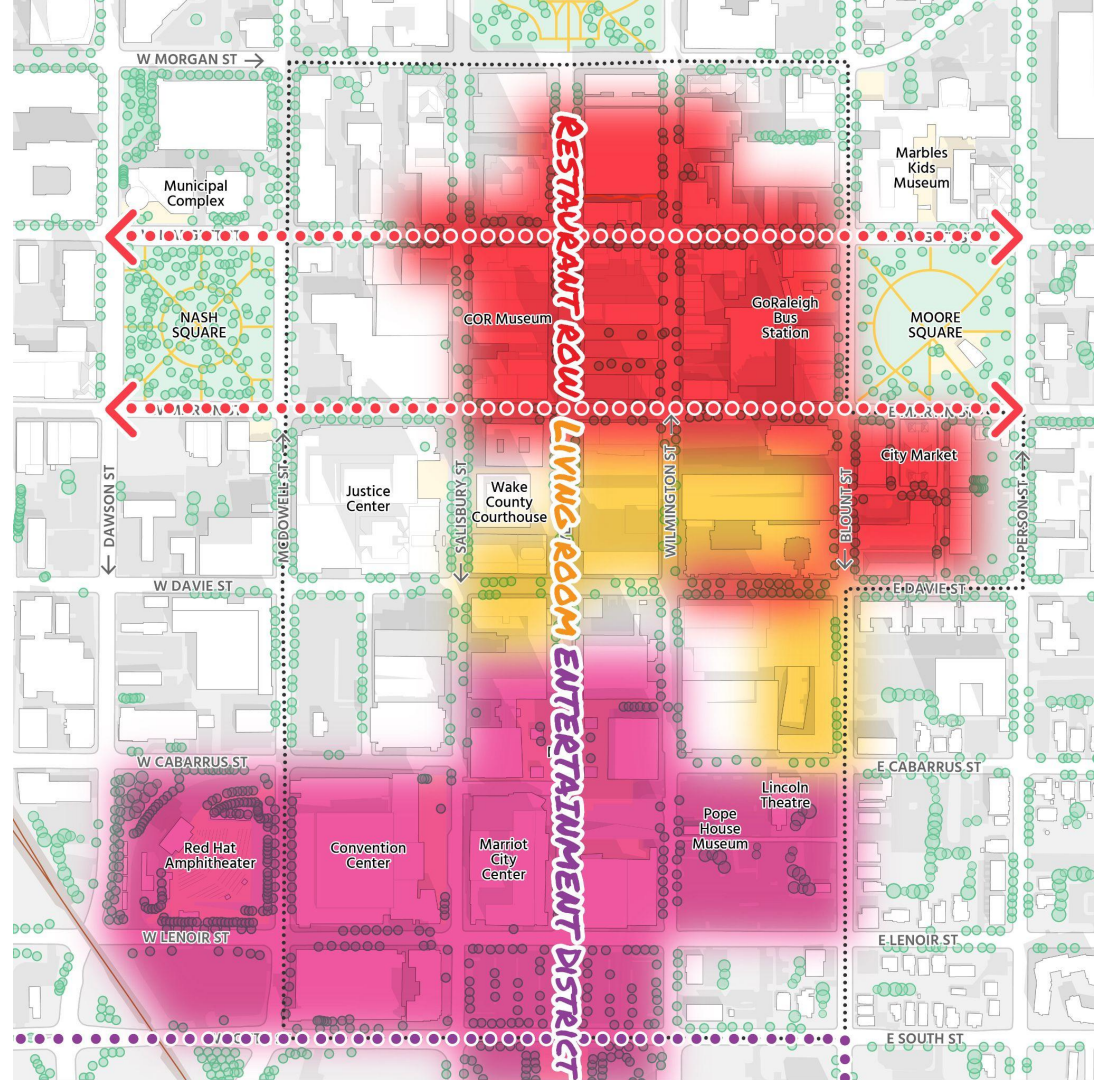
Let's think BIG

CURBLESS SHARED STREETS



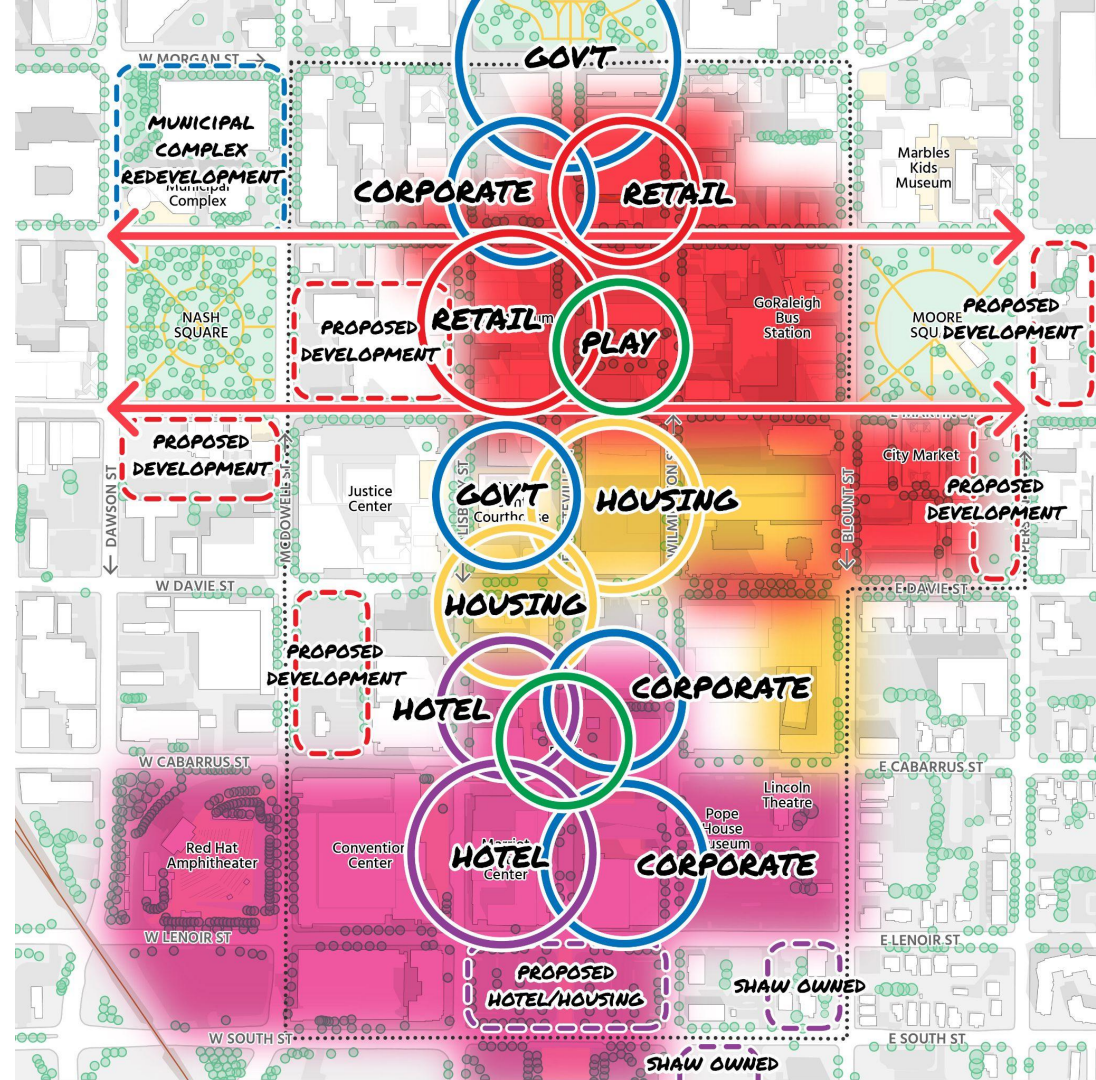
With these examples in mind, let's consider a few ideas

1. Be **strategic about retail and restaurants**: Get one block thriving first
2. Bring **more housing** to the core: But recognize that this will take time.
3. Formalize an **entertainment district** on lower Fayetteville: Reflect that brand with outdoor music and performances
4. **Loosen up!** On rules that govern permitting for Fayetteville Street and establish a culture of testing ideas
5. Fayetteville must **connect to thrive**: Establish stronger connections along Hargett, Martin, and a potential Civil Rights Trail between Chavis Park, Shaw University, Fayetteville and potentially Dorothea Dix Park



Fayetteville is a series of rooms with different personalities

Interventions along the street can offer **variations on a theme**, so that it is recognizably Fayetteville Street but also can be flexible enough adapt to different needs and uses.



Thank you!

_INTERFACE STUDIO