



Official Agenda

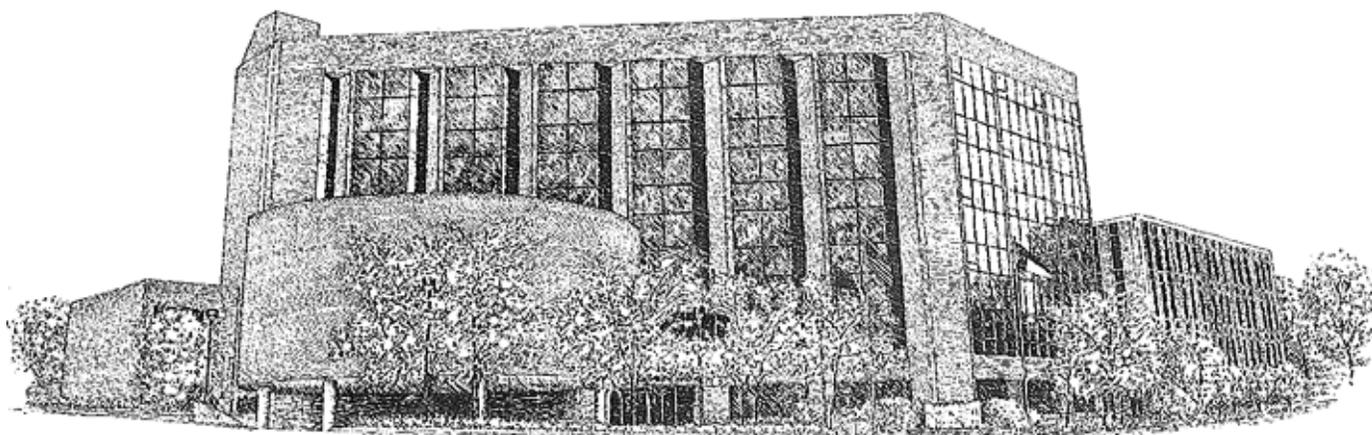
RALEIGH CITY COUNCIL

Nancy McFarlane, Mayor
Kay C. Crowder, Mayor Pro Tem
Mary-Ann Baldwin
Corey D. Branch
David N. Cox
Bonner Gaylord
Russ Stephenson
Dickie Thompson

11:30 A.M. LUNCH WORK SESSION

TUESDAY, NOVEMBER 15, 2016
CONFERENCE ROOM 305

Avery C. Upchurch Government Complex



222 West Hargett Street, Raleigh, North Carolina 27602

A. MEETING CALLED TO ORDER BY THE MAYOR**B. AGENDA****1. Oak City Outreach Center Update**

Larry Jarvis, Housing & Neighborhoods

The Oak City Outreach Center opened in a temporary location for food distribution in June 2014. In January 2015 a space needs study determined the approximate square footage required for a permanent, multi-purpose facility. In October 2015 Catholic Charities of the Diocese of Raleigh was selected to develop programming and to operate the outreach center in association with the Partnership to Prevent Homelessness, Wake County, and the City of Raleigh.

City and County staff will present a report on the sites that have been identified as a possible location for a permanent center, with recommendations for next steps. A report is included with the work session packet.

2. Raleigh Union Station Update

Rich Kelly, Engineering Services

David Eatman, Transportation

Staff will provide an update on the Raleigh Union Station project construction and post construction activities. The construction update will include information regarding the progress of construction, project challenges, and a brief overview of the project timeline. Post construction activities include details regarding rail operation leases, a proposed master lease strategy and associated tenant up-fit recommendations, and other associated timelines.

Staff will also preview projected funding needs to be addressed with the Fiscal Year 18 budget process for the procurement of furniture, fixtures, and equipment.



Memorandum

To: Ruffin Hall, City Manager

From: Larry M. Jarvis, AICP *LJ*
Director, Housing and Neighborhoods Department

Subject: Oak City Center

Date: November 9, 2016

Background:

In November 2013, City Council approved the recommendation of the Food Distribution Task Force to temporarily locate a food distribution facility behind the Salvation Army building across from Moore Square and to direct City and County staff to work with the Partnership to End and Prevent Homelessness to identify a permanent solution for food distribution and other important services. The facility would function as a “one stop shop” for the vulnerable population being served. Council directed that the facility be located near downtown with access to transit and other nearby services. City Council subsequently reaffirmed this direction with the inclusion of such a facility in the City’s adopted Strategic Plan.

Three important milestones have been reached to date. First, the Oak City Outreach Center opened in its temporary location for food distribution in June 2014. In January 2015, Ratio Architects completed the programming of space needs for the proposed permanent facility, determining that approximately 18,000 square feet would be needed. Finally, in October 2015, Catholic Charities of the Diocese of Raleigh was selected to develop programming and operate the Oak City Center with the Partnership, Wake County and the City of Raleigh.

Over the past months, a search of potential sites has been conducted using the following criteria:

- The location must be within three miles of Moore Square.

- At least 18,000 square feet of existing space is available.
- A site with a buildable area able to accommodate 18,000 square feet plus parking (at least 0.75 acres).
- The property must actually be available for purchase or lease.

Using these criteria, a total of eight sites were identified. Two additional sites that had also been suggested were also evaluated. A summary of those potential sites is attached.

At the Work Session, City and County staff will present the factors that were considered in evaluating the alternative sites and a joint recommendation on site selection. Should Council choose to move this recommendation forward, the next step would be formal Council approval at the December 6 City Council meeting. At that meeting, in addition to approving the site, Council would be asked to appropriate \$1.5 million to add to the \$1,648,000 already budgeted as the City's capital contribution towards the facility and authorize the City Manager to execute Terms and Conditions with the County. If both governing bodies choose to move forward with the staff recommendation, the facility would be owned by Wake County and operated by Catholic Charities.

Recommendation:

That City Council receive a report from City and County staff recommending the site for the Oak City Center and to provide direction as to next steps.



Oak City Center

Multi-Service Center Site Selection

Background

November 2013

Food Distribution Task Force Recommendations

The Food Distribution Task Force recommended a temporary solution and a permanent solution to the food distribution problem in Moore Square:

Temporary Solution

Indoor Temporary Food Distribution Facility across the street from Moore Square.

Permanent Solution

A one-stop-shop for individuals and families at-risk of homelessness as a long-term, holistic solution for addressing homelessness. The Raleigh City Council charged staff from the City and the County to work with the Partnership to Prevent and End Homelessness to implement this solution.



What is a Multi-Service Center?

- Point of entry to homeless service system
- Coordinated assessment of client needs
- Provide immediate referrals and resources
- Provide meals on weekends

The Oak City Center

Services will include . . .

- Comprehensive assessment of client needs
 - Resource information and referral
 - Mental health assessment and referral
 - Temporary placement into emergency shelter
 - Medical triage, care and transportation for medically compromised
 - Support services for veterans
 - Assistance for persons at-risk of homelessness
-

The Oak City Center

Services, continued . . .

- Onsite housing info: classes and vacancy lists
 - Access to showers, laundry, and other basic needs
 - Transportation to offsite providers
 - Employment training & educational opportunities
 - Resource for neighborhoods: address community needs
 - Community room for use by neighbors / neighborhood groups
 - Weekend meal distribution
-

Milestones reached since Nov 2013

Date	Activity	Purpose
June 2014	Oak City Outreach Center opens	Temporary location for food distribution
Jan 2015	Ratio Architects completes <i>"Oak City Outreach Center: Program of Space Needs"</i>	Bridging document to determine building size /site acreage needed for new center
Oct 2015	Selected Catholic Charities of the Diocese of Raleigh	To develop programming and operate the Oak City Center with the Partnership, County, and City

Site Search

Original criteria for search developed by staff

- Within 3 miles of Moore Square
- Building at least 18,000 square feet in size
- Buildable area able to accommodate 18,000 square foot building, plus parking (at least $\frac{3}{4}$ acre)
- Property available for sale or lease

10 sites were identified

The 10 sites identified were scored.

Property Matrix Score Criteria	<i>Definitions of Matrix Scoring Criteria</i>
Appropriate Size and Acreage	Parcel needs to include buildable area for 18,000 SF minimum and provide ample room for driveway, parking, drop-off and deliveries.
Appropriate Context/Zoning	Does intended use fit in context of proposed site? Does existing zoning allow proposed use?
Proximity to Compatible Services	How proximate is proposed site to necessary, supportive services?
Continuity of Service (Predictability)	Will program be able to operate with continuity and predictability so that clients do not experience confusion or disruption of service?
Accessibility/Proximity to Bus Routes	Site has access to public transportation so clients can easily access services.
Buffer/Proximity to Residential Areas	Is proposed site adjacent to residential use and is it well buffered?
Site Functionality	Are site characteristics reasonable for sensible development for program?
Level of Property Control	Does the site provide potential for reasonable access controls to protect the clients and program participants?
Cost to Acquire	Is the initial cost to get into the facility reasonable?
Cost to Develop / Condition if Existing	Are costs to fit-up the space or redevelop the site reasonable?
Cost of Ownership/Lease	Is the cost to own/lease and operate the facility reasonable?

Score Summary

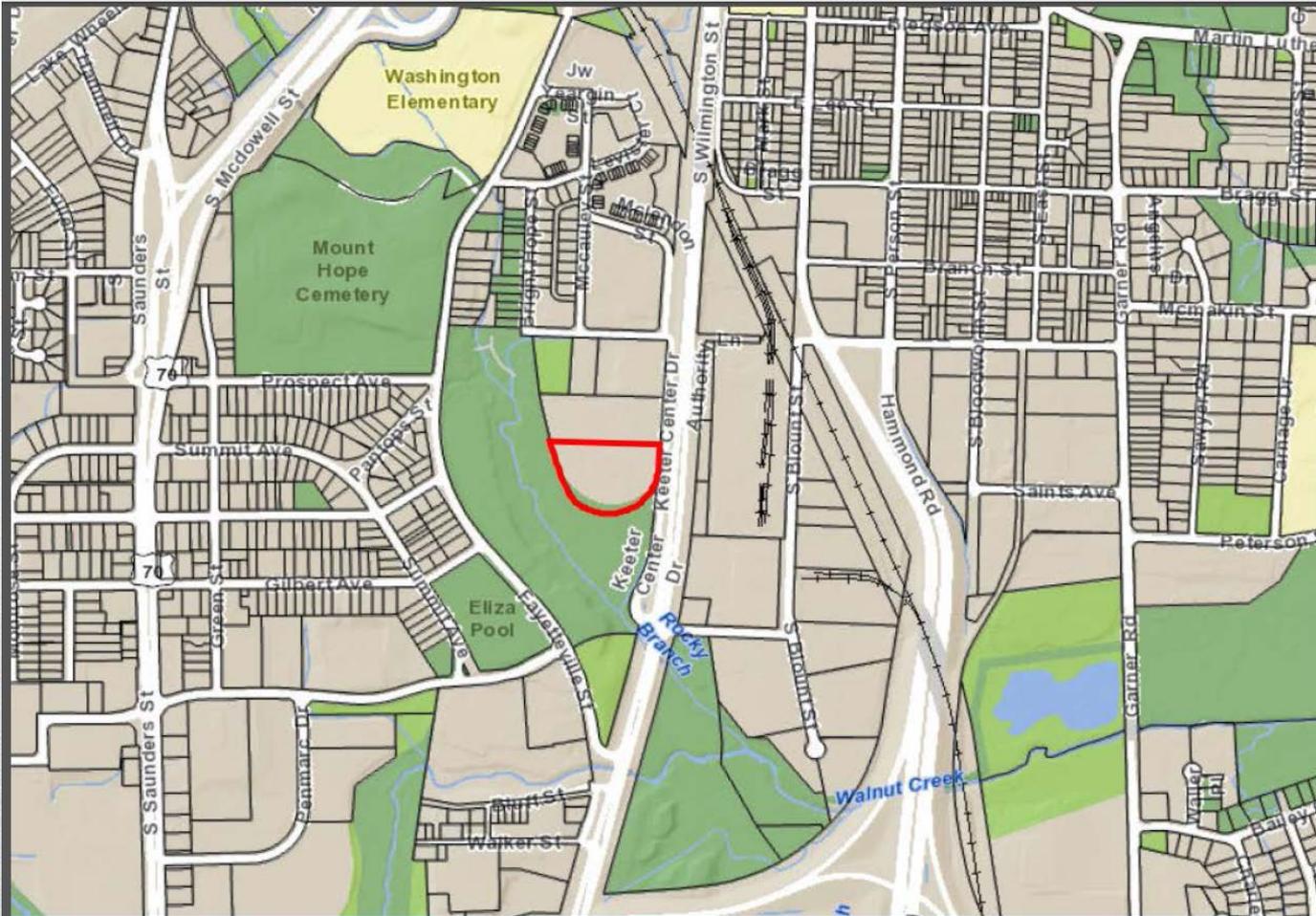
Property Matrix Scores

55 points possible

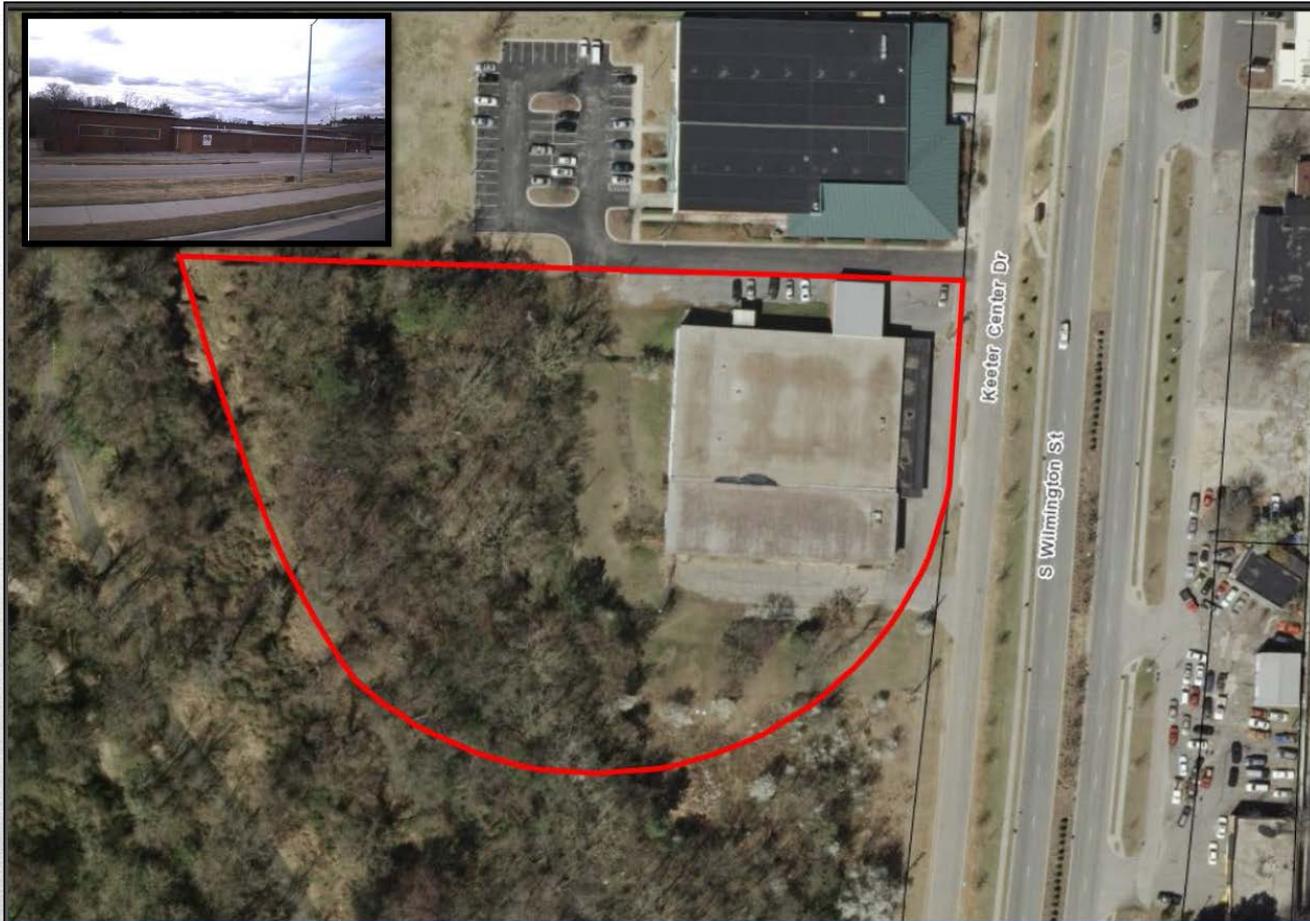
Property addresses	Total Score
1430 South Wilmington St.	47
1819 Poole Rd.	34
3010 Hammond Rd.	32
1053 Whitaker Mill Rd.	26
2920 Kidd Rd.	32
West Davie & Harrington St.'s	21
2815 Capital Blvd.	24
401 E. Whitaker Mill Rd.	32
3000 Falstaff Rd.	32
1431 S. Blount St.	19

Recommendation

Site recommended	Total Score
1430 South Wilmington St.	47



Area Plan—1430 South Wilmington Street, Raleigh, NC



Site Plan—1430 South Wilmington Street, Raleigh, NC



1430 South Wilmington Street, Raleigh, NC	
South Wilmington Street Adjacent to South Wilmington Center	
REID:	0011487
List Price:	\$1,400,000
Acreage:	4.2
Existing Building Area:	34,148 SF
Tax Value Land:	\$658,627
Tax Value Building:	\$92,088
Tax Value--Total:	\$750,715
TV Land/Acre:	\$156,815.95
Zoning:	IND-2/IX-3--Industrial Mixed Use
Future Land Use:	Community Mixed Use
Owner:	Capital Realty Co., Inc.
Availability:	Immediate
Building Type:	Load Bearing Masonry and Structural Steel
Building Reuse:	Gut & Retrofit MEP, Fire Sprinkler, FA
Proximity to Oak City Outreach:	1.08 Miles
Access to Public Transportation:	Yes--Bus Stop in Front
Notes:	
This site location gains operational efficiencies with proximity to South Wilmington Center, which is adjacent to it	
Building is in 100 year flood plain; however, main floor is above flood elevation and structure is stable.	
Building will need to be completely renovated to include all new MEP's, Fire Sprinkler, Fire Alarm; however, structure is in good condition.	
Building is large enough to meet program demands and accommodate growth/additional services	
Property can be combined with adjacent site to provide better overall control.	
Overall, while renovation costs are significant, purchase price is modest and location is ideal relative to downtown core and bus service. Combined property with adjacent site can be easily contained to bolster security, safety and control for clients as well as neighbors.	

Summary—1430 South Wilmington Road, Raleigh, NC

Location Rationale

1. Site is in close proximity to downtown.
 2. New use will revitalize a blighted building, improving neighborhood appearances.
 3. Use will secure the property: people will no longer be able to wander onto the property.
 4. Can readily expand upon existing services at adjacent Wilmington Street Center.
 5. Center will provide high quality services to people who need them. Residents in surrounding neighborhoods can benefit from these services, too.
 6. Center will be an asset to the neighborhoods and the community.
-



Community Engagement Activities

- Staff met with CAC leaders.
- Staff attended CAC meeting.

Staff heard the residents' concerns and modified the original plan.

Changes to original program

City / County staff response

- (1) Removed the women's shelter component.
 - (2) Wake County is hiring a staff person to help with community engagement.
 - (3) Center will have programming to engage people during the day
 - (4) The new center will be a facility the community can utilize.
 - (5) Oak City Center Committee will be established to ensure the new center is a good neighbor. Committee will include City/County, Partnership & Catholic Charities staff, service providers, and members of the community.
-

Proposed Next Steps

December 6, 2016: City Council meeting

1. Approve site
2. Commit funding
3. Authorize City Manager to execute Terms & Conditions with County

January 17, 2017: County Commission meeting

1. Acquire property
 2. Allocate funding
 3. Authorize County Manager to execute Terms & Conditions with City
-

Oak City Outreach – Budgetary Summary of Project Costs

A. Construction

Abatement/Remediation Allowance	185,000	
Site Development/Infrastructure	1,085,000	
Building Construction (includes signage)	3,850,000	
Misc. Equipment (Not Furniture)	25,000	
Permits	200,000	
Contingency	500,000	
Subtotal – Base Construction		<u>\$5,845,000</u>

B. Professional Services

(Includes surveying, geotechnical, architectural, engineering material testing and third party special inspections)	515,000	
Subtotal – FF&E/Professional Services		<u>\$ 515,000</u>
Total Development Cost		<u>\$6,360,000</u>

C. Furniture Fixtures & Equipment (FF+E)

By Operator

D. Estimated Land Acquisition

Land Cost (34,148 SF building on 4.2 acres)	1,000,000	
Subtotal – Estimated Land Acquisition		<u>\$1,000,000</u>

Total Project Cost		<u>\$7,360,000</u>
---------------------------	--	---------------------------

Roles and Responsibilities

Center to be owned by Wake County

Center to be operated by Catholic Charities

City Role: Capital Contribution

- \$1,648,000 in housing bond funds already budgeted;
- \$1,500,000 additional appropriation from capital reserve funds needed.



Questions?

UNION STATION

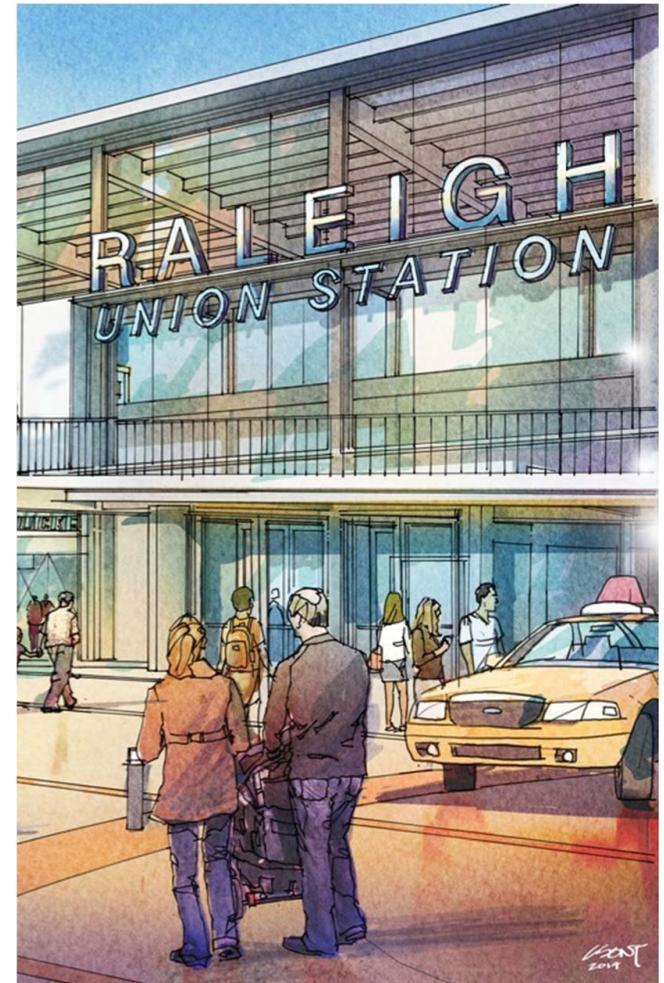


Update for City Council
November 15, 2016



Agenda

- Construction update
- Leasing next steps
 - Master leasing agreement for tenants
 - Tenant up-fits
- Rail operations update
- Future funding requirements



Construction Update

- Construction is going well
- 35% complete
- Items complete/underway:
 - Most excavation (tunnel/concourse in progress)
 - Building steel skeleton, under-slab utilities
 - Martin St. and West St. bridge caissons and abutments
 - Retaining walls, foundations

Work Ahead

- Site work completion
- Martin St. bridge/entry
- West St. bridge/entry
- West St. completion
- Plaza completion
- Exterior, dry in and interior work on building

RUS Site – Looking East



RUS Site – Looking Northeast



RUS Site – Looking North



RUS Site – Looking South



Building



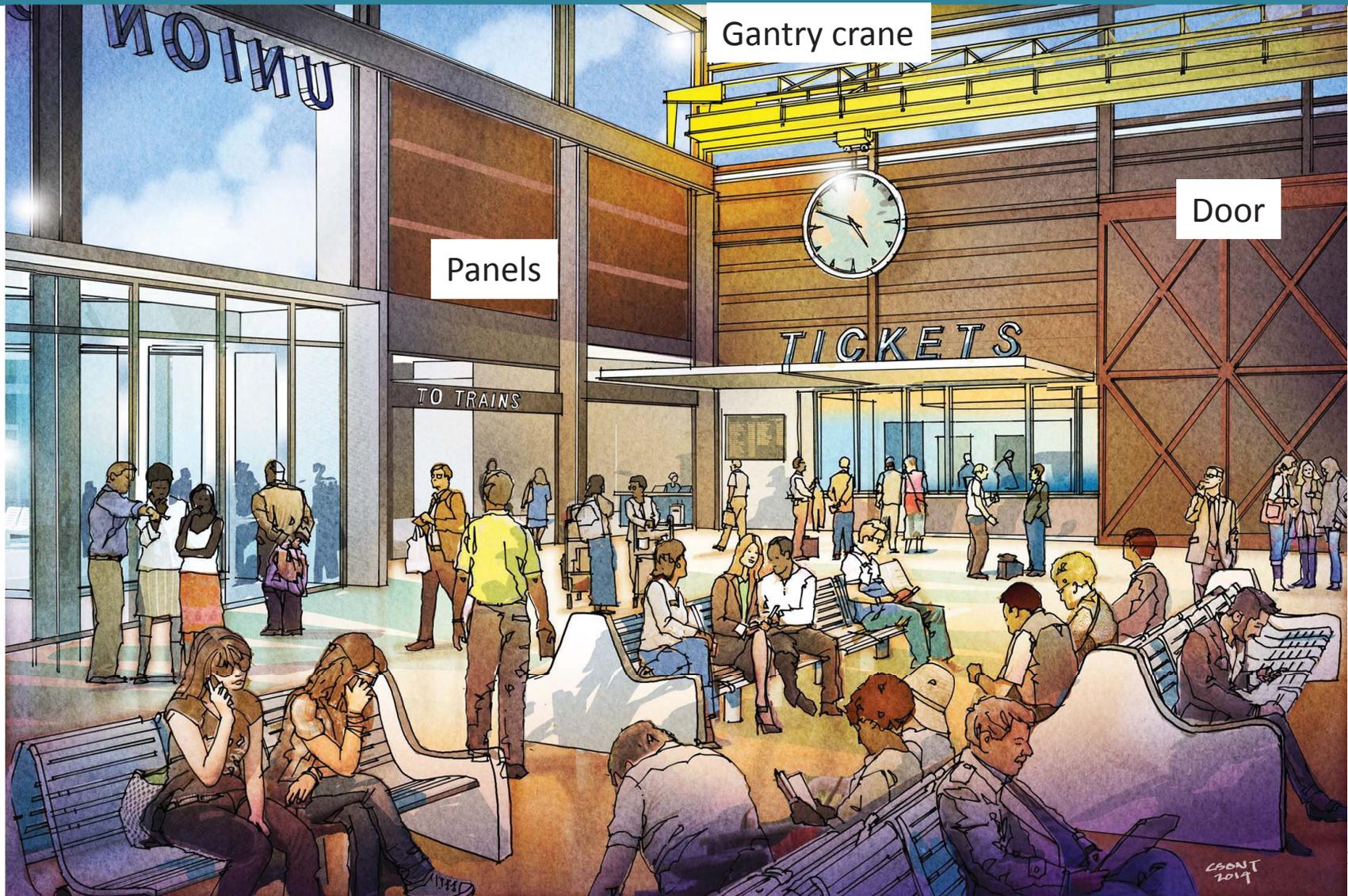
West St. Entrance



Martin St. Entrance



Historical/Re-use Elements



Historical/Re-use Elements



Hurricane Matthew –Site & Building



Hurricane Matthew – West St. Bridge & Site



Schedule Challenges

- Hurricane Matthew
- Tunnel shoring and track excavation
 - Unforeseen conditions during sheet pile driving
- Significant quantities of rock encountered at bridge caissons
- Elevators

Key Raleigh Union Station Milestones

Project Element	Anticipated Completion
Excavation Complete for West Street	Feb. 1, 2017
Completion of Plaza Canopy Steel Structure	May 3, 2017
Completion of major elements of station exterior	June 29, 2017
Completion of West Street	May 17, 2017
Completion of Plaza	Oct. 17, 2017
*Station Operational	Jan 22, 2018
Tenant/Retailer Occupancy	Not identified, likely after rail operator occupancy

**For full operation of the station, the building, concourse, tunnel, and platform must be operational.*

Challenges Update

Item	July 19 Estimate	Current Estimate
Phased NTP and rearrangement of work	\$0.5M	\$0.5M
Contaminated and unsuitable soils	\$1.5M	\$1.5M*
Dewatering	\$0.95M	\$0.95M
Replacement of stormwater pipe under facility	\$0.3M	\$0.3M
Stormwater adjustments – Duke	\$0.228M	\$0.228M
Redesign retaining wall along West St.	\$0.2M	\$0.2M
Incorporation of platform canopy	\$0.19M	\$0.19M
Revisions to ultimate rail configuration	\$0.288M	\$0.288M
Security	\$0.5M	\$0.5M
Elevators (Buy America)	\$0.6M	\$0.6M*
Total	\$5.2M	\$5.2M

We are tracking as expected on challenges overall

Bold text indicates item has been completed or price has been fixed

*Potential for savings

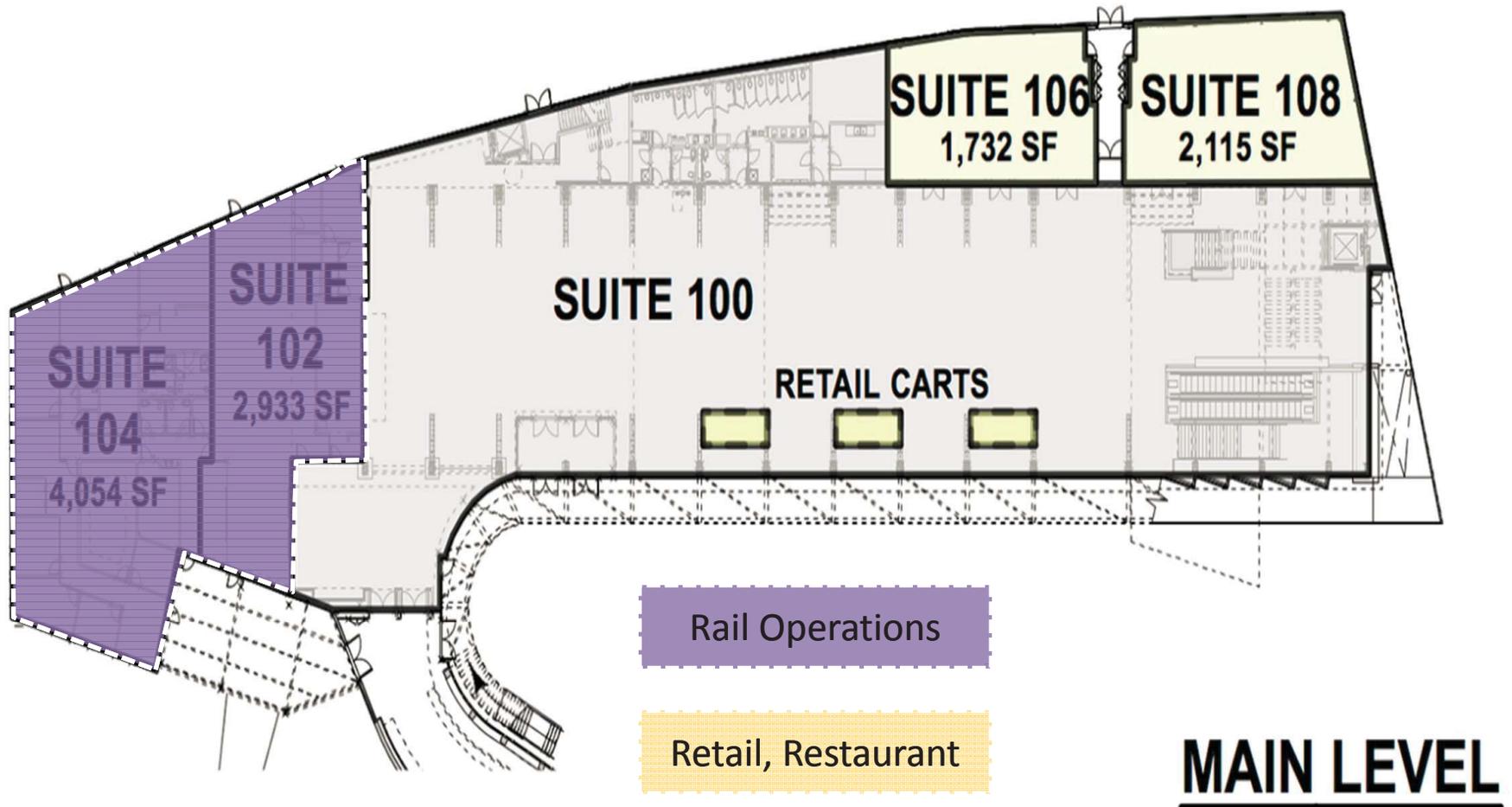
Budget Update

- Not requesting any budget action for construction of scope underway.
- Reminder – Furniture, Fixtures & Equipment (FF&E) and office, retail & restaurant tenant up-fit cost not included in budget.

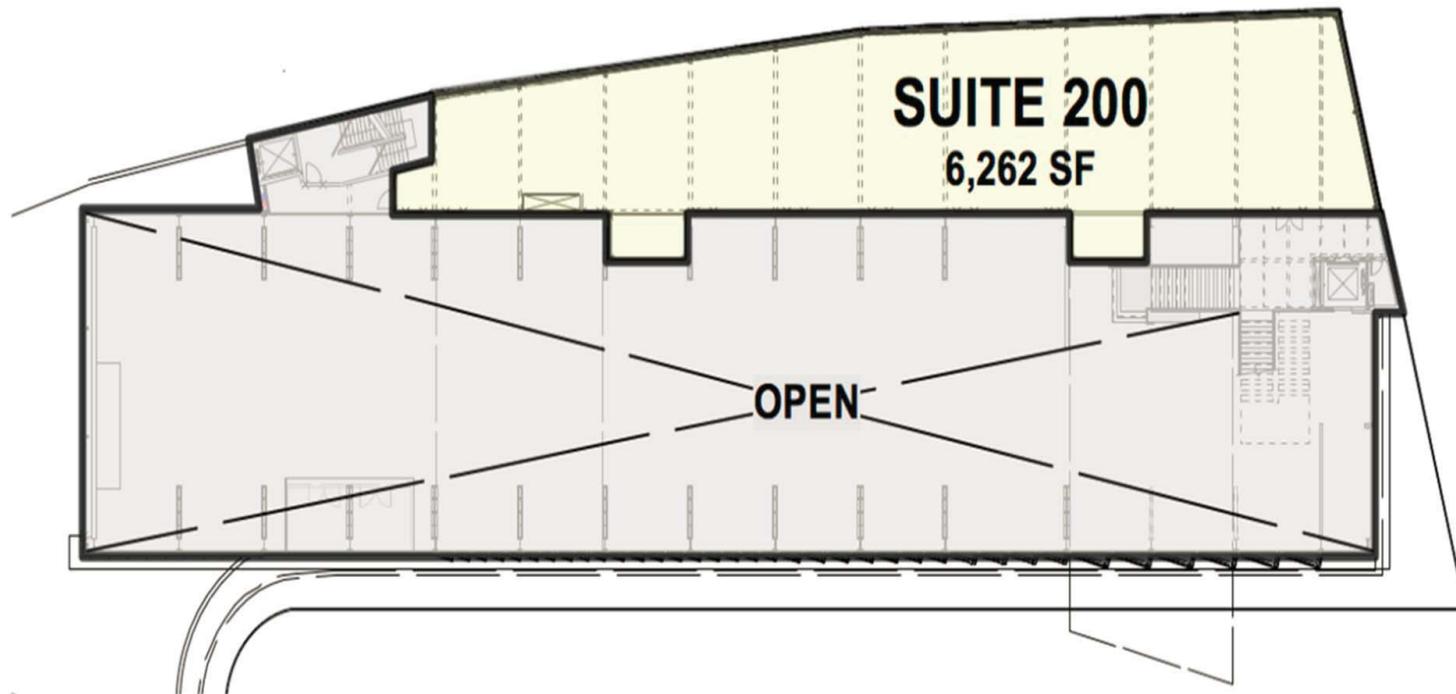
Raleigh Union Station Facility Goals

- Improve rail operations and the customer experience
 - Benefits passengers and rail providers
- Accommodate commuter & higher speed rail
- Multi-Modal Center – (Phase I RUS, Phase II RUS-Bus)
- Civic Hall space / community living room
- Retail, office, and restaurant space

RUS Leasable Space



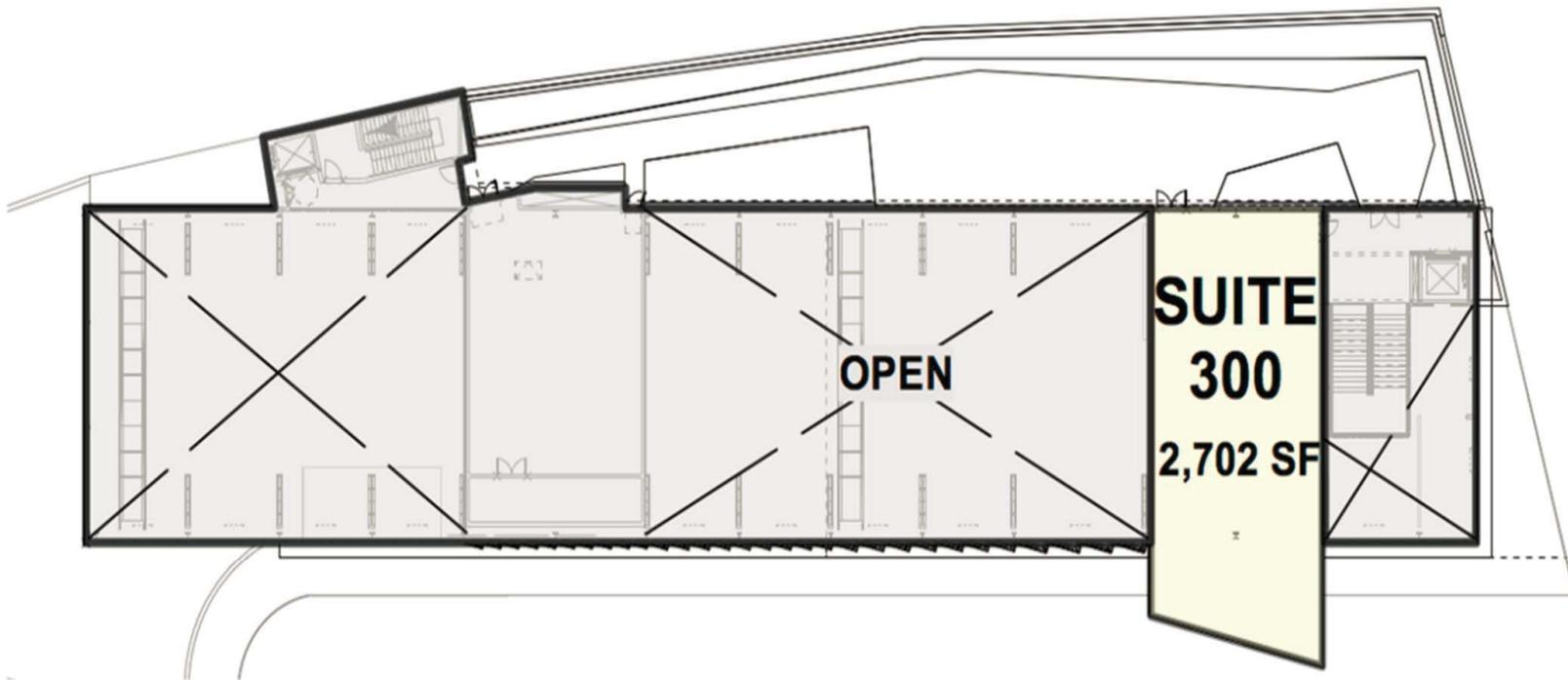
RUS Leasable Space



Retail, Office

LOWER MEZZANINE LEVEL

RUS Leasable Space



Retail, Restaurant

UPPER MEZZANINE LEVEL

Union Station Lease Strategies

- Recommend master lease agreement for retail, office, & restaurant space
 - Lease agent secures tenants
 - COR reserves the right to accept or reject tenants
 - Projected to include common area maintenance rates
- Rail operations preferred lease strategy
 - Term lease
 - Projected to include common area and common area maintenance rates

Union Station Master Lease Strategy

(retail, office & restaurant)

- Request for proposals recommended
 - Seeking an experienced lease agent
 - Up-fit budget allocations may be defined
 - Tenant mix strategy communicated
 - Contract terms under development

Union Station Master Lease Strategy

(retail, office & restaurant)

- Why provide an up-fit allocation?
 - Allows for a greater variety of eligible lease holders
 - Reinforces and strengthens options for tenant mix
 - Increases return on investment over life of lease
 - Price per square foot estimate developed
 - \$425,000
 - Proposed budget transfer from FY2017 budget
 - Master lease agreement to define terms of use

Union Station Master Lease Strategy

(retail, office & restaurant)

- Examples for tenant mix potentially included in RFP / Contract
 - Seeking affordable food options for travelers
 - Destination restaurant / community and neighborhood amenity
 - Retail - local and / or regional appeal
 - Class A Office tenant(s)
 - COR reserves the right to accept or reject tenants

Interior Planning

- Furniture, Fixtures, and Equipment (FF&E) layouts and designs solicited within existing contracts and budget
- First phase (procurement) of FF&E is an outstanding item under development
- Implementation can be phased, multi-year program

Rail Operations Strategy

- Currently in discussions with NCDOT about lease of Rail Operations areas
 - Updates will be provided by staff

Initial Lease Considerations

- Additional lease options may add value/ negotiating leverage
 - Advertising
 - Desired in rail passenger waiting areas
 - Electronic and static
 - Council approval required
 - Food and Alcohol
 - Desired in passenger waiting areas to support special events
 - Council approval required
 - Vending
 - Allowed only in designated areas
 - Revenue generator for rail operations

Summary & Next Steps

- Construction remains challenging, but off to a very successful start through efforts of team
- No actions requested related to construction at this time
- Next Steps:
 - Staff issues RFP for master lease
 - Council Approval to:
 - Authorize master lease agreement
 - Authorize budget transfer for tenant up-fits, if necessary
 - Update advertising policy, if necessary
- Future project updates

Questions/Discussion

