

# DRAFT

## COUNCIL MINUTES

The City Council of the City of Raleigh met in a work session at 11:30 a.m. on June 17, 2025 in the City Council Chamber, Room 201 of the Raleigh Municipal Building, Avery C. Upchurch Government Complex, 222 West Hargett Street, Raleigh, North Carolina, with the following present:

Mayor Janet Cowell, presiding  
Mayor Pro Tem Stormie Forte  
Council Member Corey Branch  
Council Member Jane Harrison  
Council Member Christina Jones  
Council Member Jonathan Lambert-Melton  
Council Member Megan Patton  
Council Member Mitchell Silver

These are summary minutes unless otherwise indicated.

Mayor Cowell called the meeting to order at and the following item was discussed with action taken as shown.

### **FORMER NCDMV HEADQUARTERS SITE – 1100 NEW BERN AVENUE – PROJECT UPDATE – INFORMATION RECEIVED**

In 2019, the State of North Carolina made a decision to relocate most services and operations previously located at the DMV Headquarters building on New Bern Avenue to the city of Rocky Mount. Both prior to and since that decision, City and State leaders discussed partnership and collaboration opportunities to ensure beneficial redevelopment of the site. In July of 2021, the City Council authorized City staff to initiate site acquisition activities on sites adjacent to transit investments. In July of 2022, the State of North Carolina authorized disposition of the DMV Headquarters sites in the annual budget. In September of 2022, the City of Raleigh provided a formal letter of interest and submitted a high-level vision document, which is attached, in January of 2023.

The City submitted a formal offer to purchase the property on March 30, 2023, and disposition was approved by the North Carolina Council of State on June 6, 2023. The City acquired the site on June 6, 2024.

Through an effective cross-departmental effort, this project marked the City's first major redevelopment project accompanied by sustainable public engagement, which took place over a 21-month period. Staff from the Community Engagement Department and the Planning & Development Department shared a summary of the engagement and provide an update on the market study and request for proposal.

During the work session staff provided a project overview.

Included with the agenda materials were the high-level vision document as well as prior staff presentations from the January 2, 2024 and September 10, 2024.

City Manager Marchell Adams-David gave a brief history of the former DMV site leading up to today's staff presentation.

**Assistant City Manager Niki Jones, Community Engagement Director Tiesha Mosley, Assistant Planning Director Kenneth Bowers** used a PowerPoint presentation—also included in the agenda materials—to illustrate their report; with portions of the presentation outlines as follows:

### **Assistant City Manager Niki Jones - Background**

#### The Big Block

- 1 parcel, 5.37 acres
- 2 Buildings, 225,270 sq ft

#### State Street Parcels

- 2 parcels, 0.51 acres
- Surface parking

#### Timeline

2018	2019	2020	2021	2022	2023	2024	2025
• Early discussions	• DMV HQ moves to Rocky Mount	• Council approves land purchases near transit	• City appraises site • State lists DMV for sale	• City asks state to negotiate • Vision document drafted • City makes offer of \$20M	• State approves sale • 90-day notice ends • Community Engagement begins • Project Working Group begins	• City acquired site • Bid for demolition awarded	• DMV site update

#### Tentative Demolition Schedule

- Summer 2024 - Project investigation and abatement design
- Early 2025 – Permitting
- Spring 2025 – Bidding
- Summer 2025 – Demolition of both buildings begins
- Summer 2026 - Demolition Complete

### **Tiesha Mosley – Community Engagement**

#### The Why

- Strong sense of community character & togetherness
- Many neighborhoods were once home to primarily African-American residents
- Legacy residents remain and aim to honor and preserve the rich history

#### Acknowledgement

<b>Community</b>	<b>Stakeholders</b>	<b>City Departments</b>
<ul style="list-style-type: none"> <li>• Project Working Group</li> <li>• Residents</li> <li>• Legacy Families</li> <li>• Community Partners</li> </ul>	<ul style="list-style-type: none"> <li>• City Council</li> <li>• City Manager's Office</li> <li>• Prosper Portland</li> <li>• William &amp; Russell Community Development Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Planning &amp; Development</li> <li>• Housing &amp; Neighborhoods</li> <li>• Communications</li> <li>• Engineering Services</li> <li>• City Attorney</li> <li>• Strategy &amp; Innovation</li> </ul>

#### Step 1 – Research

- Potential Partners
- Best Practices
- Engagement Techniques
- Establish Roles
- Informal Outreach
- Recruitment of Project Working Group

#### Step 2 – Learn & Ideate

- Engagement framework approved by Council
- Exploration of temporary site activations
- Began on-site community office hours
- Established the Project Working Group

#### Step 3 – Prioritize & Curate

- Community Presentations
  - Over 50 community presentations held
  - Approximately 1/2 of presentations held by Project Group members
  - Last presentation held June 14, 2025
- Focus Groups
- Explore Site Opportunities
- Community Input
- Final draft of site opportunities

#### Step 4 – Close the Loop

- Market Study
- Request for Proposal
- Matchmaking
- Regular Updates

### **Working Group Charter**

#### Working Group Responsibility

- Inform a community-centered visioning and development process.
- Identify opportunities to reflect City of Raleigh community and cultural history in the project.

- Identify community priorities that should be reflected in criteria.
- Contribute to and participate in community engagement efforts related to the development of the DMV site.
- Provide feedback and recommendations for opportunities for temporary activation.

#### Engagement at a Glance

- 1<sup>st</sup> time combining redevelopment + engagement
- 20 months of meaningful community engagement
- 55 Community Events
- 12 hours On-site Office Hours
- 5,100 Printed Collateral Distributed
- 7,131 Webpage visits
- 4 Metal Sidewalk Signs
- 1 survey
- Countless Conversations
- Immeasurable Number of Relationships Established

#### **Community Survey**

- Made available for 9 months
  - 490 comments
  - 700 participants

#### Results

- Top Development Priorities
  1. Food/Market
  2. Affordable Housing
  3. Community Spaces & Recreation
- Top Values
  1. Quality of Life
  2. Community Connection

#### High Priorities

<b>Category</b>	<b>Key Goal</b>	<b>Focus Area</b>
<b>Affordable Housing</b>	Housing Options for families under 60% of Area Median Income	Various family sizes, incomes, employment types
<b>Retail</b>	Space for local small businesses reflective of the historical corridor	Essential Goods
<b>Community Space</b>	Multipurpose with variety and flexibility room size	Workforce development,

		educational classes, etc.
<b>Food Incubator &amp; Co-Op Space</b>	Fresh, healthy, affordable food access	Commissary kitchen, food co-op, etc.
<b>Universal Site Design</b>	Accessibility for all	Beyond Americans with Disabilities Act minimum
<b>Cultural Recognition</b>	Cultural Destination reflective of historical community	Art, Wayfinding, Sculptures Recognition, Historical Markers

### Low Priorities

<b>Category</b>	<b>Key Goal</b>	<b>Focus Area</b>
<b>Sustainability &amp; Innovation</b>	Varied architectural style, project creativity	Sustainability
<b>Childcare Options</b>	Drop-in Daycare	Variety in childcare options

### **Summary of PWG Final Meeting**

- Inspired to say “yes” to this process because of the community’s history and the chance to shape the future of it
- Ongoing concerns about neighborhood change and rising tax values, and interest in anti-displacement strategies.
- Most proud of the collaboration and connection to city staff

### **Kenneth Bowers – Requests for Proposals**

#### A successful process will result in:

- A delivered project completed in a reasonable timeframe that meets as many City and community goals as possible while maintaining trust between all partners throughout the process.

#### Goals of the Project (As laid out by the City in 2022 included BRT station, mixed-income housing, green space, and supportive services)

- Maximizing affordable housing near transit
- Maximizing total residents along the BRT corridor
- Providing space for community amenities, gathering places, and services targeting neighborhood needs, such as food and health access
- Providing opportunities for local small business
- Celebrating heritage and culture

### Redevelopment Partner Selection Process

- PWG Priorities
- Market Study → RFQ → RFP → Select Partner
- Site Analysis

#### Primary Assumptions

- Main site is ~**5.4 acres**, will require rezoning
- Affordable housing will occupy ~**2.0 acres**
- Open space & circulation will take ~**0.4 acres**
- Market-rate mixed-use development (including priority uses) will use ~**3.0 acres**
- Smaller nearby parcels (close to Martin Street Baptist) will be sold/leased separately, ideally to small/local developers

#### **Market Scan Summary – Completed Jan 2025**

##### Studied top 6 community priority uses

- **Affordable Housing**: strong need and good fit for site
- **Market-rate Housing**: DMV site has unique strengths
- **Grocery**: small-to-mid-size store
- **Food Hall/Restaurants**: new supply should complement existing
- **Health/Wellness**: dependent on type
- **Parks/Open Space**: should compliment Tarboro/Roberts Parks

#### **Lessons from Moore Square**

- Market conditions and timing can significantly impact the process and outcome
- Market study will better inform the RFP
- Robust community engagement to discover needs and priorities
- Affordable component should advance alongside the market-rate component to avoid large up-front financing commitment

##### We Should Aim to be (largely) Self-Financing

- To accommodate community-desired uses, the affordable housing must be built more compactly than typical
- This raises construction costs & creates a larger financing gap
- The market-rate land value could fill much or all of the gap
- This would preserve citywide affordable housing resources

#### **Integrating Community Feedback into RFQ/RFP Process**

- Community Survey Results
- PWG High Priorities & Low Priorities → RFP Scoring Criteria
- City Requirements + Considerations

## Two Approaches for an RFP

- Approach 1: Single RFP to identify a development team for the big block
- Approach 2: Break the big block into 3 or more smaller parcels and issue separate RFPs
  - Possibly more than 1 developer: 1 specializing in market rate housing and 1 specializing in affordable housing

## Approach Considerations

<i>All figures are estimates</i>	<b>Single RFP</b>	<b>Multiple RFPs</b>
<b>Transit-oriented units (target)</b>	<b>325</b> market-rate <b>110</b> affordable	<b>250</b> market-rate <b>110</b> affordable
<b>Assumed Typologies</b>	Market-rate: 3-acre wrap  Affordable: 1.5 acres of 5-story podium	Market-rate: 2-acre wrap; 1 acre of townhomes Affordable: 1.5 acres of 5-story podium
<b>Funding generated for affordable housing</b>	<b>\$10 million</b>	<b>\$7.5 million</b>
<b>Target date of project delivery</b>	<b>2029</b>	<b>2031</b> 3+ agreements to negotiate; coordination across agreements; Requires master planning first
<b>Site area to accommodate community-oriented uses</b>	Shared parking and avoidance of setbacks creates more space for community uses	Parking individual sites and requirements for building setbacks reduces space for community uses  Residential code buildings can't include community uses
<b>pace and customer base for local businesses</b>	More ground floor space; larger customer base to support retail	Less space; smaller customer base
<b>Number and accessibility of opportunities for local developers</b>	Criteria preference for meaningful role for local/MWBE firms	Criteria preference for meaningful role for local/MWBE firms

## Market and Design Study: Expected Outcomes

- Projected rents and feasible construction types
- Feasible scale and financing approach for the affordable housing project
- Whether and how much of each priority use are supportable
- A parking strategy to serve both the market-rate and affordable components
- Structuring the disposition process to maximize quality and quantity of responses
- Potential massing, yield, site layout, and circulation patterns

## Next Steps

- Staff will issue a market and design study RFP to inform RFQ/RFP approach

- Staff will report to Council in Fall 2025 with summary of market study findings
- Staff will issue one or more RFQs/RFPs for main site following market and design study
- Staff will report to Council in Spring 2026 with recommended development partner after completion of RFQ/RFP process

Various Council members expressed their appreciation to staff and members of the community for their working together throughout the process.

Council Member Silver indicated he had questions regarding the market study and commended staff for their due-diligence research. He questioned whether there was any thought to integrating public spaces into the entire site and how New Bern Avenue frontage would be addressed with Assistant Director Bowers responding public spaces would be integrated throughout the site; however, the property would need to be rezoned—perhaps to CX-5—to accommodate retail and that the New Bern Avenue side would have shop frontage with a 25-foot wide sidewalk, and an outdoor amenity area and opining a universal site design would be good for the project. Council Member Silver questioned whether the separate 1/2-acre site would be included in the design with Assistant Director Bowers the design would be for the big block only as staff saw no reason to include the 1/2-acre surface parking across the street as that parcel could be used for smaller-scale residential and Council Member Silver indicating he leaned toward issuing 1 RFP.

Council Member Branch questioned whether there conversations with Martin Street Baptist Church and whether the church had any plans for their property as it was near the former DMV property with Community Development Director Mosley responding the conversations were ongoing and that the church had been very vocal with their plans.

Council Member Branch questioned how the city's anti-displacement policies would be incorporated with Assistant City Manager Jones stating the city would utilize its downpayment assistance and rehabilitation funding programs

Council Member Mitchell cited the anti-displacement policies in Austin, Texas and Portland, Oregon and stated he looked forward to seeing Raleigh's plans as he shared his concerns with staff already and looked forward to staff bringing back recommendations with Council Member Branch requesting that the recommendations be shared with the full Council.

Council Member Branch talked about the Beacon site and questioned whether the Council could hear ideas from other municipalities with Assistant Director Bowers responding staff studied Boulder, Colorado, Richmond, Virginia, and Cleveland, Ohio and will look at the RFQ for developers' ideas.

Council Member Branch pointed out 300 jobs were lost when DMV moved to Rocky Mount and stated he wanted to make sure housing and employment opportunities balance out.

City Manager Adams-David thanked members of the community for being actively engaged throughout the process and that she looked forward to the development opportunities as Raleigh made a commitment to the state that the city would be a good steward of the site.



**ADJOURNMENT**

There being no further business, Mayor Cowell declared the meeting adjourned at 12:18 p.m.

Ralph L. Puccini, III  
Deputy City Clerk