

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
<ul style="list-style-type: none"> • Early discussions 	<ul style="list-style-type: none"> • DMV HQ moves to Rocky Mount 	<ul style="list-style-type: none"> • Council approves land purchases near transit 	<ul style="list-style-type: none"> • City appraises site • State lists DMV for sale 	<ul style="list-style-type: none"> • City asks state to negotiate • Vision document drafted • City makes offer of \$20M 	<ul style="list-style-type: none"> • State approves sale • 90-day notice ends • Community Engagement begins • Project Working Group begins 	<ul style="list-style-type: none"> • City acquired site • Bid for demolition awarded 	<ul style="list-style-type: none"> • 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

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

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

- 1st 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

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

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

Low Priorities

Category	Key Goal	Focus Area
Sustainability & Innovation	Varied architectural style, project creativity	Sustainability
Childcare Options	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>	Single RFP	Multiple RFPs
Transit-oriented units (target)	325 market-rate 110 affordable	250 market-rate 110 affordable
Assumed Typologies	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
Funding generated for affordable housing	\$10 million	\$7.5 million
Target date of project delivery	2029	2031 3+ agreements to negotiate; coordination across agreements; Requires master planning first
Site area to accommodate community-oriented uses	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
pace and customer base for local businesses	More ground floor space; larger customer base to support retail	Less space; smaller customer base
Number and accessibility of opportunities for local developers	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