

The News & Observer

May 24, 2001

Envisioning a techie haven in downtown Raleigh

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Greg Hatem is standing in one of his favorite spots, on a concrete deck behind 319 W. Martin St., a two-story brick building he has refurbished and rented to a technology company on the edge of Raleigh's warehouse district.

From here, he can see the possibilities of downtown Raleigh. To his south, condominiums will soon replace the old Jones Brothers building on Cabarrus Street. Down the street, the Depot, a mix of shops and offices, is planned for the old freight station. Below him, next to Humble Pie restaurant, Turkish businessmen are opening a fusion cuisine restaurant in an old meat-packing plant Hatem owns.

The scene is just the beginning. Hatem and others envision a downtown that's part Research Triangle Park, part Centennial Campus and part something new. The idea is to transform the area into a magnet for the techie set, young people who want to work, live and play in the same space. Hatem, along with other developers, real-estate agents, members of the City Council, Chamber of Commerce, and even police officers and restaurant owners, are meeting this morning to figure out how to make it happen.

Not that this is the first mention of the topic. Last fall, the! Downtown Raleigh Alliance, a booster group, put together a focus group of techies, state workers and chamber officials to probe the issue. "And what we found, to our complete surprise, is that the technology companies were extremely well-satisfied downtown," says Errol Frailey, president of the alliance and one of the organizers of today's Downtown Raleigh Technology Development Forum. "And, that we were overlooking the obvious."

The obvious, he says, is that the renaissance has already started.

There are about 20 technology-related companies downtown - the area framed by Peace Street on the north, Blount and Person streets on the east, Martin Luther King Jr. Boulevard on the south and Boylan Avenue on the west. That includes the warehouse, the Glenwood South and Moore Square areas, as well as Fayetteville Street Mall.

Charles Long, president of film-video-multimedia company Center Line Productions, was one of the first to move in. He started the! company in his Cary apartment in 1997 but moved when clients ! such as Ericsson and IBM wanted to see his office. He took space in 1998 on Hargett Street, above what was then Wicked Smile restaurant (now Five Star restaurant and club), and last year, he upgraded into larger space at 310 Harrington St., a two-story brick warehouse that once served as a hospital during the Civil War.

"When I moved, the decision was to rent in offices in Research Triangle Park like everyone else or take a chance," says Long, 33, standing on gleaming, refinished heart pine floors and under the original 25-foot-high post-and-beam ceilings. "We decided to go downtown and hope that no one would be afraid to come visit."

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Creating a small world:

What Long was looking for is what developers hope to exploit: a place where all of his employees could live within a mile of work. They can walk to lunch, or walk to get drinks and dinner after work. They don't want to worry about traffic, parking or crime - though every one of them has had his or her car broken into while at work. They don't want to live in houses or apartments that will break their bank accounts.

Today's strategy session is an attempt to come up with a master plan to provide that environment. But Raleigh isn't the only city making the effort. The same thing is happening just down Interstate 40.

In the past five years, about 25 technology-related companies have moved into downtown Durham. There are renovation projects happening from one end of the city center to the other - most notably, the hundreds of thousands of square feet inside the Liggett and American Tobacco warehouse properties - many of which involve the kind of open, big spaces tech companies like. Road projects are planned to make the downtown easier to navigate for businesses looking to locate there. The city is even rethinking its choice of trees downtown. (The ones there now have many berries, which means many birds flying above parked cars, which isn't good for business.)

"We have made the conscious decision that we would start figuring out how we could actively start targeting high-tech businesses," says Bill Kalkhof, president of Downtown Durham Inc., the part-public, part-private nonprofit agency that functions as a booster for development. "We can create the high-tech telecommunications systems they need. We can deliver the services. But also, we can sell them the complete environment."

This week, Downtown Durham Inc.'s new brochure will be printed, touting the center as the Triangle's newest, hottest destination for tech companies. Kalkhof's staff will start mass mailing to high-tech companies in a couple of weeks.

"If you come back here in two years, you're going to say, 'This is a wonderful working environment,' " Kalkhof says as he walks across the nearly desolate Corcoran Street, which slices through the heart of downtown. Sounds like that's in direct competition with Raleigh, doesn't it? Well, that's true, but that's business, Kalkhof says.

No one involved in the two downtowns' efforts is worried that the current tech downturn makes their plans a risk, even though a few tech companies have pulled out of the downtowns.

"The Triangle is an interesting area in that when we have significant layoffs from corporations, the big guys, what ends up being created is a lot of smaller high-tech companies. And we seem to be in competition in recruiting those," Kalkhof says.

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The keys to success:

So what will it take? In Raleigh, at least, part of the answer will likely come after today's meeting.

But there are things that don't have to be spelled out.

Frailey already knows from his focus groups that techies want someplace to hang out late at night. That's why restaurant owners are invited to the meeting. He'll make a pitch to them

about longer hours.

He also already knows that people want to be able to move around without cars. So, he's hoping to work it out so that! the trolley, which runs for free Thursday through Saturday nights, would operate during business hours between downtown, Cameron Village, Centennial Campus and Glenwood South.

And he knows that while techies tend to spend money, many are young and therefore don't have that much of it to burn on real estate. Which is why developers play an important role. Get them to build apartments of 800 square feet or 1,000 square feet to keep the rents down, and the techies will follow, Frailey believes. (Hatem is planning to include apartments in an upcoming project but wouldn't give details yet.)

Finally, the most important piece is the business space. Plenty of that to go around. There's the Belk building being renovated on Fayetteville Street Mall, which has more than two acres of space. There are all those potential shops, apartments, restaurants and offices within Dillon Supply, which Frailey says will probably be sold by this time next year, and be under renovation by the end of next year. "Within five years, you will see! something else in that area," he says.

There are the offices that will open at the Depot. Hatem recently bought another 24,000-square-foot warehouse (he owns 17 properties in downtown, including Jillian's) at 520 W. Lane St., in Glenwood South, that he hopes to refurbish into a technology center for small businesses. There are all those offices above the retail space on Fayetteville Street Mall, and also inside the Creamery building on Glenwood, and so on.

Of course, no one would scoff at new construction - "If an IBM wants to come in and build a tower, well, we'd be tickled to death with that," says Ken Atkins, executive director of Wake County Economic Development and one of the organizers of today's meeting - but that's not the focus for now.

"In the next five years, you're going to see dramatic changes," says Atkins, who said the chamber sent out 1,800 invitations to the meeting.

Paul Coble, mayor of Raleigh and, as he puts it, a "card-carrying capitalist," says he knows this effort is the right thing to do, and comes at the right time. "If you want to do it, it's not going to happen by chance. It's going to happen because there is a focused and concentrated effort." Increased police foot patrols already happening downtown, the lighting of the parks, and what he hopes will one day be the end of the pedestrian-only mall are part of that effort, he says, declining to speak about what other incentives might crop up in the future.

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Record Number: gdul9z89