

Raleigh is getting a new 22-story office tower

BY DAVID RANII - DRANII@NEWSOBSERVER.COM

The corporate parent of First National Bank, the Pittsburgh-based company that recently acquired Raleigh's Yadkin Bank, has made a major statement about its commitment to the region with its announcement that it will anchor a new 22-story tower that will be built in downtown Raleigh.

The building at 501 Fayetteville St., along City Plaza, is being developed for FNB Corp.'s regional headquarters by Raleigh's Dominion Realty Partners. Dominion Realty CEO Andy Andrews said he expects the building's price tag to be about \$110 million.

"We love to see more headquarters coming downtown," said Raleigh Mayor Nancy McFarlane. "It really speaks to all the investments we have made, how much people enjoy working and living downtown."

Dubbed FNB Tower, the building will include 150,000 square feet of office space, nearly 240 apartment units and retail space on the street level.

"It's always nice to add another feature to the skyline and start to fill it out even more," said Bill King, senior director of economic development and planning for the Downtown Raleigh Alliance.

King added that all three components of the building – office, retail and residential – will add to the vibrancy of the downtown scene. The influx of new residents "will keep that area of Fayetteville Street potentially livelier later in the day – more foot traffic in the evening in the City Plaza space," he said.

FNB will occupy more than 40,000 square feet of office space for its regional headquarters and will have a retail banking office on the ground floor. The bank also said it has options on additional space in the building "to accommodate future growth."

FNB completed its \$1.4 billion acquisition of Yadkin, which boasted 100 branches in North and South Carolina, in March.

"Our ability to work collaboratively across business lines in centralized locations such as this new regional headquarters building is essential to our success and the success of our clients," FNB CEO Vincent J. Delie Jr. said in a prepared statement.

Officials at FNB, which also is financing the building, couldn't immediately be reached for additional comment.

"FNB wants to commit, and show their commitment, to downtown Raleigh," Andrews said. "Financing it and moving their employees there shows not only a physical employee commitment to downtown Raleigh but also a financial commitment to downtown Raleigh."

Dominion Realty also developed the neighboring 11-story Charter Square building at 555 Fayetteville St. Raleigh-based Highwoods Properties, the Triangle's largest landlord, acquired Charter Square last year for \$78.4 million.



View of FNB Tower from Fayetteville Street. Rendering by JDavis Architects.

The FNB Tower site currently is occupied by an underground parking deck, with concrete footings above-ground that are surrounded by a fence. Raleigh's outdoor ice skating rink is adjacent and to the north of the building site, Andrews said.

The building's apartments will be upscale one- and two-bedroom units that will offer fireplaces as well as a fitness center and a pool on the 11th floor. They will also feature "unbelievable views (with) floor-to-ceiling glass," Andrews said.

Leasing of additional space, which will be handled by CBRE Raleigh, hasn't yet begun. However, Dominion Realty plans to move its offices into the building.

Charter Square was the first commercial building in Wake County to be certified platinum – the highest green rating available – by the U.S. Green Building Council's Leadership in Energy and Environmental Design, Andrews said. Dominion is designing the new tower with a goal of achieving platinum status for it as well.

In addition to housing the bank's regional leadership, FNB departments such as commercial banking, retail and mortgage banking, wealth management, private banking and insurance will work out of the new building.

Groundbreaking for the new building is scheduled for December, and it's expected to be ready for occupancy by the summer of 2019.

FNB has more than 400 branches in Pennsylvania, Ohio, Maryland, West Virginia and the Carolinas.

David Ranii: 919-829-4877, @dranii