

1001 & 1007 S MARSHALL STREET

Modification to Approval of Financial Assistance

for Downtown Development Purposes Pursuant to N.C.G.S. 160A-458.3 (now N.C.G.S. 160D-1315)

Source of funds was 2014 General Obligation Economic Development Bonds

Sponsored by Good Stuff, LLC, Self-Help Ventures, Beta Verde, LLC & Cross Street Partners.

Additional Supplemental Materials Provided in Advance



The City Go Bond (or equivalent funds) will go directly to the completion of the 1007 phase of the comprehensive 1001/1007 project. Driven by a mission of significantly increasing economic growth focused on new job and business creation, 1007 will immediately generate a vibrant connective environment that is accessible to the public for both business opportunities as well as community activation via indoor/outdoor retail options. With its prominent location on the Gateway and Strollway, 1007 will be a catalyst for neighborhood investment in the surrounding South Winston community.

The vision of 1001/1007 aims to craft a vibrant ecosystem for creative and culinary entrepreneurs in order to facilitate the growth of new or existing businesses and concepts within an environment that is sustainable through robust collaborative programming and state of the art facilities with affordable rents and a lively tenancy mix.

USE PROGRAM HIGHLIGHTS

Cobblestone Farmers Market (CFM)

1007 will be CFM's permanent home as North Carolina's top ranked fully sustainable farmers market.

Strollway & Public Events Spaces

Shared Use Commercial Kitchen

Apparel Lab & Textile Production

Safe Affordable Light Industrial Space

Affordable Arts Production Space w/ a Focus on Film

Food & Lifestyle Retail

garden store, home goods, apparel

PROGRESS UPDATES

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1007 S Marshall Street

Once Known As...

Camel City Coach Co.
Atlantic Greyhound Garage

HTC Status

Part I & Part II
Approvals Received

Bahnsen Company (left), southwest oblique and Atlantic Greyhound garage, 1938 (above)

PROGRESS UPDATES

1001

2016

- Site Control & Pre-Purchase Environmental Study
- Purchase of Property
- Engaged Historic Consultant

2017

- Supported Relocation of Current Tenants
- Part One & Part Two HTC Submitted

2018

- First Phase Demo
- City GO Bond Award

2019

- Design Development, MEP & Civil Engaged

1007

2016

- N/A

2017

- Site Control
- Part One & Part Two HTC Submitted
- Environmental Studies Performed

2018

- N/A

2019

- Design Development, MEP & Civil Engaged

PROGRESS UPDATES

1001

2020

- Cobblestone Farmers Market Shifts Operation Onsite Across Parking Lots
- Tenant (STEMZ) Space Permitted, Renovated & Tenant Installed

2021

- New Roof & Skylights to Seal Building
- Interior Demolition & Environmental Remediation Completed

2022

- Led Tour & Talks
 - 3 Open Community & 2 Focused Group
 - Plus Numerous Individual Potential Tenant Tours

1007

2021

- Lease to Purchase Property Deal Complete
- Interior Upgrades (*Electric, Sprinkler, Site Clearing*)
- Site & Space Design
- Interior Demolition & Environmental Remediation Complete
- Cobblestone Farmers Market Relocates to Parking Lot as “*Permanent Home*” on Saturdays Year-Round
- Southbound Craft Fair Hosted Onsite

2022

- Led Tour & Talks
 - 3 Open Community & 2 Focused Group
 - Plus Numerous Individual Potential Tenant Tours

PROGRESS UPDATES: 1001



PROGRESS UPDATES: 1007



PROGRESS UPDATES: 1007 Weekly Community Activation

COBBLESTONE FARMERS MARKET

Relocated to 1007
October 2021

Average Weekly
Attendance Onsite
Coming Out of
Pandemic
2500

Annual Collective Gross
Vendor Sales
\$1.5M



SCOPE OF WORK

MARSHALL ST



OLD SALEM RD

SALEM AVE

SCOPE OF WORK // 1007 & 1001

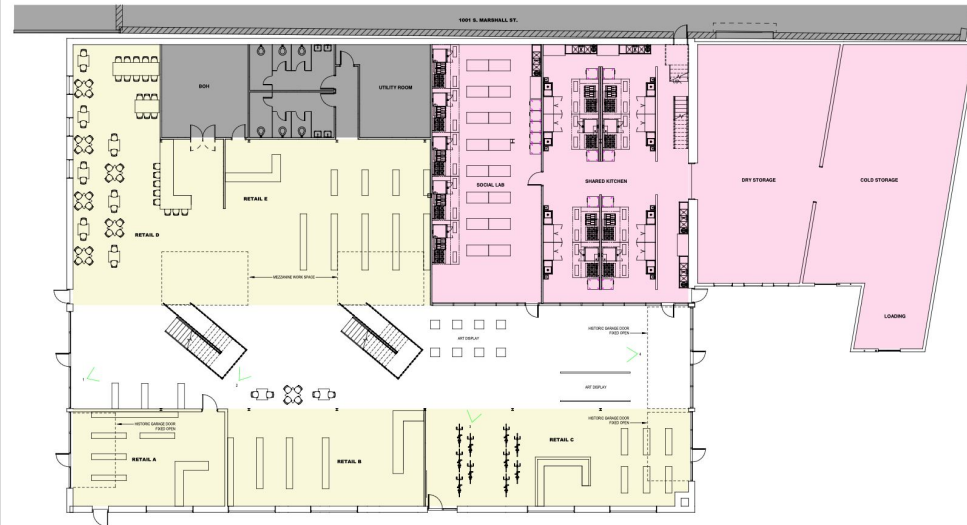
1007 is the first phase to be financed and completed in 2023.
1001 is the second phase to be financed with core and shell completed in 2024.

PHASE ONE SCOPE

1007 will come online first opening in Q3 of 2023. The building is ready for construction after being cleared of all interior materials except the historic components and having already undergone environmental remediation.

Complete core and shell, exterior renovation, retain exterior & interior historic fabric according to SHPO, restore original doors, open all CMU block closures, new windows and storefront glass, roof repair and solar panels installed, interior renovation, all new utilities, new electric transformers and relocation of utility poles, phase one construction of Winston Salem Shared Kitchen (WSSK), utility connections & build out for tenant spaces. Site work to include regrading of parking lot, large graduated patio for community gathering, stormwater management, lighting and landscaping.

Phase 2 of WSSK (which includes more work spaces, pods and value add packing) would begin in 1001 as well as the refrigeration support for the fresh food “hub”. Phase 2 of WSSK construction will connect 1001 and 1007 interiorly with 3 entries.







PROJECTED TIMELINE & FUNDING SOURCES

PROJECTED TIMELINE // 1007 Completed 2023 (Q3-Early Q4)

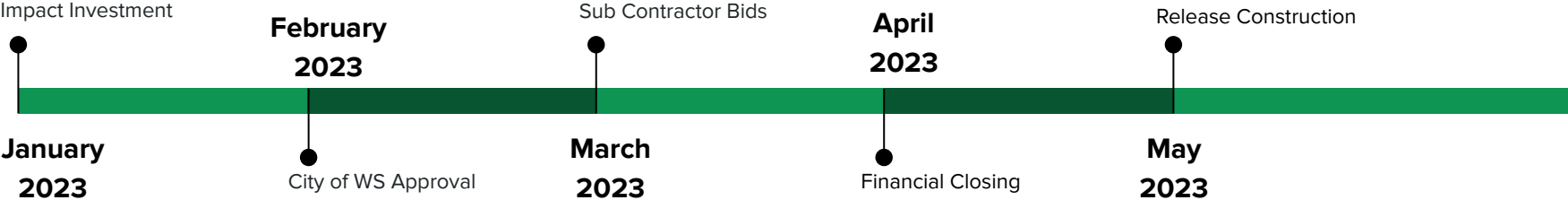
New Market Tax Credit
Term Sheets

JV MOU w/ Self-Help

Schematics Completed

Civil & MEP Released

Finalize Private / Social
Impact Investment



City of WS Approval

Sub Contractor Bids

Financial Closing

Release Construction

SHPO Amendment
Response

Core & Shell

Known Tenant
Construction Drawings
Complete

1001

Finance Closing—Q4 2023 (or Q1 2024)
Construction—12 Months f/ Date of Finance Closing
Occupancy—Q1 2024

FUNDING SOURCES

Sources of Funds (post-completion)	\$	\$/Net SF	% / Total
Federal Historic Equity	1,539,278	91.27	11%
State Historic Tax Credit Equity	1,924,097	114.09	13%
New Market Tax Credit Equity	3,603,600	213.67	25%
Debt	2,050,000	121.55	14%
Equity	840,658	49.85	6%
City of WS: General Obligation Bond	2,000,000	118.59	14%
Grants	2,600,000	154.17	18%
Total Sources	\$ 14,557,633	\$ 863.19	100%

Partnership on the Marshall Street Redevelopment (see Self-Help support letter for full narrative of support)

While negotiations are ongoing, Self-Help has proposed entering into a joint venture as a member of the development entity alongside Cross Street Partners and its partners Beta Verde and Good Stuff LLC. Conversations regarding this project have been occurring between Self-Help and Cross Street for the better part of a year and we hope to solidify this partnership in early 2023. Self-Help is interested in playing a development role in 1007 Marshall St and providing necessary support, including, pre-development financing, project management, assistance in securing tax credit investment as well as bridge and permanent financing, and construction oversight and administration.

FUNDING SOURCES // Status

New Market Tax Credits (NMTC): NMTC awards came out Friday, October 28 and the 1007 project was very well received. The next 30 days is the time period for nailing down the term sheets and the amount of allocation. North Carolina is also one of the states that NMTC have been asked to focus on which brings more interest of investment to projects like this in the state.

Self-Help (see statement from letter of support on previous slide)

We expect Self-Help, a Durham based CDFI with net-assets of \$500M, will be joining the project as Co-Developer and JV Partner by early 2023. Self-Help joined us at the most recent NMTC Conference sharing 1007 as one of their pipeline projects. 1007 would be Self-Help's first project in Winston-Salem.

Senior Loan: PNC's CRA group is eager to complement PNC's NMTC investor role by being the senior lender.

Historic Tax Credits (HTC): We have Part 2 approval from SHPO and NPS. CSP has strong relationships with many potential State and Federal HTC investors. We are holding off on getting investor term sheets until we know who is providing NMTCs as some CDEs want to invest in both HTCs and NMTCs.

Private Investment: CSP will provide the equity investment, though we are also in conversation with other potential private / social impact investors.

County

The County is interested in supporting this rural/urban agriculturally connective project with a focus on funding site infrastructure.

Grants

Tenant Focused Grants (USDA LFPP = Apply Spring 2023n // Notification Fall 2023, EDA, NC IDEA)

REQUEST FOR MODIFICATION

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The Request for Modification of the \$2M City Go Bond committed to 1001 S Marshall Street in 2018 is two fold.

The project has expanded to its original vision of including 1007 S Marshall Street in the overall Marshall Street redevelopment project. 1007 has attracted significant financial interest, a JV Partner and tenant interest to support the City's \$2M investment and realize Phase 1 of the total project by Q3 of 2023.

We request to move the \$2M bond commitment to 1007 as the first phase of the total project.

1001 would be substantially complete by Q4 2024.

The second modification is to **request that the statute for the financial assistance be changed to statute 160D-1311** per the suggestion of the City staff. 1007 (and ultimately 1001) are focused on community development, job opportunities & training and the expansion of small & medium businesses that have a creative and agriculture focus, all while preserving two buildings that represented the City's early industrial impact and future forward businesses.

1007 S Marshall Street is a destination for the community and visitors on Saturdays year-round with the permanent presence of the Cobblestone Farmers Market, the state's largest sustainable farmers market. 1007 is the former 1920's Camel City Coach Building and has its Historic Tax Credit Part 1 & 2 approvals. 1001 is the former Bahnson Building which pioneered early HVAC and venting systems. As an example of the interest of entrepreneurs seeking to be in the urban core of Winston-Salem, 1001 will see the resurgence of textile production in both product design and natural fabrics made from products grown in our region.

CLOSING QUESTIONS
